
State:	District of Columbia	Filing Company:	UnitedHealthcare Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003G Small Group Only - Other		
Product Name:	DC-SG-UHIC-2014-07		
Project Name/Number:	/		

Filing at a Glance

Company:	UnitedHealthcare Insurance Company
Product Name:	DC-SG-UHIC-2014-07
State:	District of Columbia
TOI:	H16G Group Health - Major Medical
Sub-TOI:	H16G.003G Small Group Only - Other
Filing Type:	Rate
Date Submitted:	02/27/2014
SERFF Tr Num:	UHLC-129435525
SERFF Status:	Closed-APPROVED
State Tr Num:	
State Status:	
Co Tr Num:	
Implementation	07/01/2014
Date Requested:	
Author(s):	Bonnie Barboza, Esther Drew, Nibesh Paudel, Matthew Madia, David Harris
Reviewer(s):	Donghan Xu (primary), Alula Selassie
Disposition Date:	03/07/2014
Disposition Status:	APPROVED
Implementation Date:	03/07/2014
State Filing Description:	

State: District of Columbia
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003G Small Group Only - Other
Product Name: DC-SG-UHIC-2014-07
Project Name/Number: /

Filing Company: UnitedHealthcare Insurance Company

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: Group Market Size: Small
Group Market Type: Overall Rate Impact: -10%
Filing Status Changed: 03/07/2014
State Status Changed: Deemer Date:
Created By: Nibesh Paudel Submitted By: Nibesh Paudel
Corresponding Filing Tracking Number:

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Exchange Intentions: On Exchange

Filing Description:

DC-SG-UHIC-2014-07

Company and Contact

Filing Contact Information

Nibesh Paudel, Associate Actuarial Analyst nibesh_paudel1@uhc.com
185 ASYLUM STREET 860-702-5220 [Phone]
CITY PLACE I 860-702-5016 [FAX]
HARTFORD, CT 06103

Filing Company Information

UnitedHealthcare Insurance Company	CoCode: 79413	State of Domicile: Connecticut
185 Asylum Street	Group Code: 707	Company Type: Life and Health
Hartford, CT 06103	Group Name:	State ID Number: 79413
(860) 702-5000 ext. [Phone]	FEIN Number: 36-2739571	

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

SERFF Tracking #:	UHLC-129435525	State Tracking #:	Company Tracking #:
State:	District of Columbia	Filing Company:	UnitedHealthcare Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003G Small Group Only - Other		
Product Name:	DC-SG-UHIC-2014-07		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:	Review & Approval
Rate Change Type:	Decrease
Overall Percentage of Last Rate Revision:	3.900%
Effective Date of Last Rate Revision:	01/01/2014
Filing Method of Last Filing:	Review & Approval

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
UnitedHealthcare Insurance Company	Decrease	-10.000%	-10.000%	\$-4,695,718	669	\$46,957,184	-10.000%	-10.000%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:			1,850	7,309				
Policy Holders:			160	509				

State: District of Columbia
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003G Small Group Only - Other
Product Name: DC-SG-UHIC-2014-07
Project Name/Number: /

Rate Review Detail

COMPANY:

Company Name: UnitedHealthcare Insurance Company
 HHS Issuer Id: 41842

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
EPO and POS			1

Trend Factors: The current annual trend factor is 10.7%.

FORMS:

New Policy Forms: POL.I.14.SB.DC, EXB2NTC.I.14.SB.DC, COC.I.11-14.SB.DC, PL1.SBN.CHP.I.14.DC, PL2.SBN.CHP.I.14.DC, PL3.SBN.CHP.I.14.DC, PL4.SBN.CHP.I.14.DC, PL5.SBN.CHP.I.14.DC, PL6.SBN.CHP.I.14.DC, GO1.SBN.CHP.I.14.DC, GO2.SBN.CHP.I.14.DC, GO3.SBN.CHP.I.14.DC, GO4.SBN.CHP.I.14.DC, GO5.SBN.CHP.I.14.DC, GO6.SBN.CHP.I.14.DC, GO7.SBN.CHP.I.14.DC, GO8.SBN.CHP.I.14.DC, GO9.SBN.CHP.I.14.DC, GO10.SBN.CHP.I.14.DC, SL2.SBN.CHP.I.14.DC, SL3.SBN.CHP.I.14.DC, SL4.SBN.CHP.I.14.DC, SL5.SBN.CHP.I.14.DC, SL7.SBN.CHP.I.14.DC, SL8.SBN.CHP.I.14.DC, SL9.SBN.CHP.I.14.DC, SL10.SBN.CHP.I.14.DC, PL1.SBN.CHC.I.14.DC, PL2.SBN.CHC.I.14.DC, PL3.SBN.CHC.I.14.DC, PL4.SBN.CHC.I.14.DC, PL5.SBN.CHC.I.14.DC, PL6.SBN.CHC.I.14.DC, GO1.SBN.CHC.I.14.DC, GO2.SBN.CHC.I.14.DC, GO3.SBN.CHC.I.14.DC, GO4.SBN.CHC.I.14.DC, GO5.SBN.CHC.I.14.DC, GO6.SBN.CHC.I.14.DC, GO7.SBN.CHC.I.14.DC, GO8.SBN.CHC.I.14.DC, GO9.SBN.CHC.I.14.DC, GO10.SBN.CHC.I.14.DC, SL1.SBN.CHC.I.14.DC, SL2.SBN.CHC.I.14.DC, SL3.SBN.CHC.I.14.DC, SL4.SBN.CHC.I.14.DC, SL5.SBN.CHC.I.14.DC, SL7.SBN.CHC.I.14.DC, SL8.SBN.CHC.I.14.DC, SL9.SBN.CHC.I.14.DC, SL10.SBN.CHC.I.14.DC, BR1.SBN.CHC.I.14.DC, BR2.SBN.CHC.I.14.DC, BR3.SBN.CHC.I.14.DC, RID.PDS.NET-NON.MD.I.14.DC, RID.PDS.NET-NON.DD.I.14.DC, MM.RID.PVC.NET.I.14.DC, AP.RID.PVC.NET.I.14.DC, AP.RID.PVCS.NET-NON.I.14.DC, MM.RID.PVCS.NET-NON.I.14.DC, RDR.I.14.OB.DC, RDR.RX.NET.I.14.DC.SB, RDR.RX.PLS.I.14.DC.SB, 152550.RDR.RXSBN.NET.I.14.DC.SB, 104075.RDR.RXSBN.NET.I.14.DC.SB, 104075.DD.RDR.RXSBN.NET.I.14.DC.SB, 153050.RDR.RXSBN.NET.I.14.DC.SB, 102040.RDR.RXSBN.NET.I.14.DC.SB, 152550.RDR.RXSBN.PLS.I.14.DC.SB, 104075.RDR.RXSBN.PLS.I.14.DC.SB, 104075.D.RDR.RXSBN.PLS.I.14.DC.SB, 153050.RDR.RXSBN.PLS.I.14.DC.SB, 102040.RDR.RXSBN.PLS.I.14.DC.SB

Affected Forms:

Other Affected Forms:

REQUESTED RATE CHANGE INFORMATION:

Change Period: Other
 Member Months: 105,911

State:	District of Columbia	Filing Company:	UnitedHealthcare Insurance Company
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Project Name/Number:	/		

Benefit Change:	Decrease
Percent Change Requested:	Min: -10.0 Max: -10.0 Avg: -10.0

PRIOR RATE:

Total Earned Premium:	46,957,184.00
Total Incurred Claims:	31,558,720.00
Annual \$:	Min: 138.42 Max: 2,667.84 Avg: 443.36

REQUESTED RATE:

Projected Earned Premium:	46,783,443.00
Projected Incurred Claims:	37,426,754.00
Annual \$:	Min: 137.91 Max: 2,657.97 Avg: 441.72

SERFF Tracking #:	UHLC-129435525	State Tracking #:	Company Tracking #:
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TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003G Small Group Only - Other		
Product Name:	DC-SG-UHIC-2014-07		
Project Name/Number:	/		

Rate/Rule Schedule

State:	District of Columbia	Filing Company:	UnitedHealthcare Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003G Small Group Only - Other		
Product Name:	DC-SG-UHIC-2014-07		
Project Name/Number:	/		

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
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SERFF Tracking #:

UHLC-129435525

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003G Small Group Only - Other

Product Name:

DC-SG-UHIC-2014-07

Project Name/Number:

/

1		Rate Filing Exhibits	POL.I.14.SB.DC, EXB2NTC.I.14.SB.DC COC.I.11-14.SB.DC, PL1.SBN.CHP.I.14.DC, PL2.SBN.CHP.I.14.DC, PL3.SBN.CHP.I.14.DC, PL4.SBN.CHP.I.14.DC, PL5.SBN.CHP.I.14.DC, PL6.SBN.CHP.I.14.DC, GO1.SBN.CHP.I.14.DC, GO2.SBN.CHP.I.14.DC, GO3.SBN.CHP.I.14.DC, GO4.SBN.CHP.I.14.DC, GO5.SBN.CHP.I.14.DC, GO6.SBN.CHP.I.14.DC, GO7.SBN.CHP.I.14.DC, GO8.SBN.CHP.I.14.DC, GO9.SBN.CHP.I.14.DC, GO10.SBN.CHP.I.14.DC, SL2.SBN.CHP.I.14.DC, SL3.SBN.CHP.I.14.DC, SL4.SBN.CHP.I.14.DC, SL5.SBN.CHP.I.14.DC, SL7.SBN.CHP.I.14.DC, SL8.SBN.CHP.I.14.DC, SL9.SBN.CHP.I.14.DC, SL10.SBN.CHP.I.14.DC, PL1.SBN.CHC.I.14.DC, PL2.SBN.CHC.I.14.DC, PL3.SBN.CHC.I.14.DC, PL4.SBN.CHC.I.14.DC, PL5.SBN.CHC.I.14.DC, PL6.SBN.CHC.I.14.DC, GO1.SBN.CHC.I.14.DC, GO2.SBN.CHC.I.14.DC, GO3.SBN.CHC.I.14.DC, GO4.SBN.CHC.I.14.DC, GO5.SBN.CHC.I.14.DC, GO6.SBN.CHC.I.14.DC, GO7.SBN.CHC.I.14.DC, GO8.SBN.CHC.I.14.DC, GO9.SBN.CHC.I.14.DC, GO10.SBN.CHC.I.14.DC, SL1.SBN.CHC.I.14.DC, SL2.SBN.CHC.I.14.DC, SL3.SBN.CHC.I.14.DC, SL4.SBN.CHC.I.14.DC,	Revised	Previous State Filing Number: UHLC-129030275 Percent Rate Change Request:	DCSG-UHIC-2014-07- All Exhibits 2014-02- 27.pdf,
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SERFF Tracking #:

UHLC-129435525

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003G Small Group Only - Other

Product Name:

DC-SG-UHIC-2014-07

Project Name/Number:

/

SL5.SBN.CHC.I.14.DC,
 SL7.SBN.CHC.I.14.DC,
 SL8.SBN.CHC.I.14.DC,
 SL9.SBN.CHC.I.14.DC,
 SL10.SBN.CHC.I.14.DC,
 BR1.SBN.CHC.I.14.DC,
 BR2.SBN.CHC.I.14.DC,
 BR3.SBN.CHC.I.14.DC,
 RID.PDS.NET-
 NON.MD.I.14.DC,
 RID.PDS.NET-
 NON.DD.I.14.DC,
 MM.RID.PVC.NET.I.14.DC,
 AP.RID.PVC.NET.I.14.DC,
 AP.RID.PVCS.NET-
 NON.I.14.DC,
 MM.RID.PVCS.NET-
 NON.I.14.DC,
 RDR.I.14.OB.DC,
 RDR.RX.NET.I.14.DC.SB,
 RDR.RX.PLS.I.14.DC.SB,
 152550.RDR.RXSBN.NET.I.14
 .DC.SB,
 104075.RDR.RXSBN.NET.I.14
 .DC.SB,
 104075.DD.RDR.RXSBN.NET.
 I.14.DC.SB,
 153050.RDR.RXSBN.NET.I.14
 .DC.SB,
 102040.RDR.RXSBN.NET.I.14
 .DC.SB,
 152550.RDR.RXSBN.PLS.I.14.
 DC.SB,
 104075.RDR.RXSBN.PLS.I.14.
 DC.SB,
 104075.D.RDR.RXSBN.PLS.I.
 14.DC.SB,
 153050.RDR.RXSBN.PLS.I.14.
 DC.SB,
 102040.RDR.RXSBN.PLS.I.14.
 DC.SB

Rate Factors

Exhibit 1

(1) Index Rate: \$458.28

(2) Benefit Plan Ratios

CH/INS (EPO) Plans						
Product	Plan Name			Metal Level	Actuarial Value	Plan Ratio
	Medical		Rx			
	Exchange					
	Off	On				
EPO	C40	VBY	ZV	Platinum	88.2%	0.91023
EPO	EY1	V63	ZU	Platinum	90.7%	0.96062
EPO	E43	V7W	YM	Platinum	88.5%	0.92711
EPO	E47	V7Y	ZR	Platinum	88.5%	0.92228
EPO	E5N	V71	ZU	Platinum	91.9%	0.98098
EPO	EYW	V61	ZV	Platinum	89.0%	0.92390
EPO-HSA	DW7	VDN	A0	Gold	78.5%	0.69682
EPO-HSA	DW7	VDN	YM	Gold	78.4%	0.69384
EPO-HSA	DXP	VDP	A0	Gold	78.1%	0.77701
EPO-HSA	DXP	VDP	YM	Gold	78.0%	0.77404
EPO	EZJ	V67	A0	Gold	79.5%	0.79022
EPO	EZJ	V67	YM	Gold	78.8%	0.78223
EPO	EZ2	V7D	C0	Gold	79.1%	0.77415
EPO	EZ2	V7D	ZT	Gold	78.9%	0.77919
EPO	E0P	V7J	A0	Gold	78.9%	0.77343
EPO	E0P	V7J	YM	Gold	78.3%	0.76544
EPO	E0X	V7L	A0	Gold	81.6%	0.82398
EPO	E0X	V7L	YM	Gold	81.1%	0.81599
EPO	EY5	V65	A0	Gold	81.4%	0.81077
EPO	EY5	V65	YM	Gold	80.9%	0.80278
EPO	EZS	V69	B0	Gold	78.1%	0.77097
EPO	EZS	V69	ZS	Gold	78.7%	0.76487
EPO	E0H	V7H	A0	Gold	79.7%	0.81031
EPO	E0H	V7H	ZR	Gold	79.1%	0.79529
EPO	EZ9	V7F	A0	Gold	79.9%	0.80875
EPO	EZ9	V7F	ZS	Gold	78.5%	0.78781
EPO-HSA	DXY	VDI	YM	Silver	70.2%	0.60385
EPO-HSA	DXY	VDI	ZX	Silver	69.7%	0.60035
EPO-HSA	DX9	VDR	YM	Silver	70.4%	0.61229
EPO-HSA	DX9	VDR	ZX	Silver	69.3%	0.60879
EPO-HSA	DYJ	VDT	YM	Silver	71.0%	0.61559
EPO-HSA	DYJ	VDT	ZX	Silver	70.1%	0.61209
EPO-HSA	DYP	VDV	YM	Silver	69.1%	0.59458
EPO-HSA	DYP	VDV	ZX	Silver	68.3%	0.59108
EPO	E06	V7N	ZT	Silver	70.8%	0.68139
EPO	E06	V7N	ZY	Silver	69.9%	0.66423
EPO	E2M	V7Q	D0	Silver	71.5%	0.67315
EPO	E2M	V7Q	ZZ	Silver	69.2%	0.65670
EPO	E2U	V7S	ZT	Silver	70.0%	0.67689
EPO	E2U	V7S	ZY	Silver	68.8%	0.65974
EPO	E26	V7U	ZT	Silver	70.5%	0.68368
EPO	E26	V7U	ZY	Silver	69.0%	0.66653
EPO	E18	V7O	ZT	Silver	70.5%	0.68588
EPO	E18	V7O	ZY	Silver	68.4%	0.66873
EPO-HSA	DWZ	VDK	YM	Bronze	60.9%	0.50989
EPO-HSA	DW2	VDL	YM	Bronze	61.5%	0.51402
EPO-HSA	DW4	VDM	YM	Bronze	59.3%	0.57357

CH+/INS (POS) Plans						
Product	Plan Name			Metal Level	Actuarial Value	Plan Ratio
	Medical		Rx			
	Exchange					
	Off	On				
POS	C5Z	VBZ	ZV	Platinum	88.2%	0.93059
POS	EY2	V64	ZU	Platinum	90.7%	0.98114
POS	E44	V7X	YM	Platinum	88.5%	0.94546
POS	E48	V7Z	ZR	Platinum	88.5%	0.93909
POS	E5O	V72	ZU	Platinum	91.9%	1.00136
POS	EYX	V62	ZV	Platinum	89.0%	0.94420
POS-HSA	DXL	VDO	A0	Gold	78.5%	0.71867
POS-HSA	DXL	VDO	YM	Gold	78.4%	0.71569
POS-HSA	DXR	VDQ	A0	Gold	78.1%	0.80079
POS-HSA	DXR	VDQ	YM	Gold	78.0%	0.79782
POS	EZL	V68	A0	Gold	79.5%	0.80839
POS	EZL	V68	YM	Gold	78.8%	0.80039
POS	EZ4	V7E	C0	Gold	79.1%	0.79286
POS	EZ4	V7E	ZT	Gold	78.9%	0.79791
POS	E0R	V7K	A0	Gold	78.9%	0.79204
POS	E0R	V7K	YM	Gold	78.3%	0.78404
POS	EY7	V66	A0	Gold	81.4%	0.82937
POS	EY7	V66	YM	Gold	80.9%	0.82137
POS	EZU	V7C	B0	Gold	78.1%	0.78938
POS	EZU	V7C	ZS	Gold	78.7%	0.78328
POS	E0Z	V7M	A0	Gold	81.6%	0.84260
POS	E0Z	V7M	YM	Gold	81.1%	0.83460
POS	E0J	V7I	A0	Gold	79.7%	0.82908
POS	E0J	V7I	ZR	Gold	79.1%	0.81406
POS	E0C	V7G	A0	Gold	79.9%	0.82729
POS	E0C	V7G	ZS	Gold	78.5%	0.80634
POS-HSA	DXX	VDJ	YM	Silver	70.2%	0.62157
POS-HSA	DXX	VDJ	ZX	Silver	69.7%	0.61807
POS-HSA	DX7	VDS	YM	Silver	70.4%	0.63139
POS-HSA	DX7	VDS	ZX	Silver	69.3%	0.62789
POS-HSA	DYI	VDU	YM	Silver	71.0%	0.63395
POS-HSA	DYI	VDU	ZX	Silver	70.1%	0.63045
POS-HSA	DYQ	VDW	YM	Silver	69.1%	0.60980
POS-HSA	DYQ	VDW	ZX	Silver	68.3%	0.60928
POS	E2O	V7R	D0	Silver	71.5%	0.68839
POS	E2O	V7R	ZZ	Silver	69.2%	0.67194
POS	E2W	V7T	ZT	Silver	70.0%	0.69206
POS	E2W	V7T	ZY	Silver	68.8%	0.67491
POS	E28	V7V	ZT	Silver	70.5%	0.69934
POS	E28	V7V	ZY	Silver	69.0%	0.68219
POS	E2E	V7P	ZT	Silver	70.5%	0.70208
POS	E2E	V7P	ZY	Silver	68.4%	0.68493

(3) Trend Factors

Effective Quarter	Factor
3rd Quarter, 2014	1.052
4th Quarter, 2014	1.079

(4) Age Factors

Age	Factor	Age	Factor	Age	Factor	Age	Factor
0-20	0.654	32	0.817	44	1.137	56	1.801
21	0.727	33	0.836	45	1.181	57	1.871
22	0.727	34	0.856	46	1.227	58	1.944
23	0.727	35	0.876	47	1.275	59	2.020
24	0.727	36	0.896	48	1.325	60	2.099
25	0.727	37	0.916	49	1.377	61	2.181
26	0.727	38	0.927	50	1.431	62	2.181
27	0.727	39	0.938	51	1.487	63	2.181
28	0.744	40	0.975	52	1.545	64 & older	2.181
29	0.760	41	1.013	53	1.605		
30	0.779	42	1.053	54	1.668		
31	0.799	43	1.094	55	1.733		

Product	Plan Name			Metal Level	Medical Schedule of Benefits Form #	Rx Schedule of Benefits Form #	Act'l Value	In-Network					Out-of-Network					Copayments								Medical Deduct. Type	Rx																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
	Medical Exchange		Rx					Deductible			OOP Maximum		Deductible		Coins	OOP Maximum		PCP	SCP	UC	ER	OP Surgery		IP	Deduct. Type		Deduct.	Tier 1	Tier 2	Spec.	Tier 3	Spec.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
	Off	On						Indiv.	Family	Coins	Indiv.	Family	Indiv.	Family		Indiv.	Family					Free-St.	Hospital																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
EPO	C4O	VBY	ZV	Platinum 3	PL3.SBN.CHC.I.14.DC	152550.RDR.RXSBN.NET.I.14.DC.SB	88.2%	\$250	\$500	90%	\$2,500	\$5,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											

Product	Plan Name			Metal Level	Medical Schedule of Benefits Form #	Rx Schedule of Benefits Form #	Act'l Value	In-Network					Out-of-Network					Copayments										Medical Deduct. Type	Rx							
	Medical Exchange		Rx					Deductible			OOP Maximum		Deductible			OOP Maximum		PCP	SCP	UC	ER	OP Surgery			IP	Deduct. Type	Deduct.		Tier 1	Tier 2	Tier 3	Spec.				
	Off	On						Indiv.	Family	Coins	Indiv.	Family	Indiv.	Family	Coins	Indiv.	Family					Free-St.	Hospital													
POS	EZU	V7C	B0	Gold 3-A	GO3.SBN.CHP.I.14.DC	102040.RDR.RXSBN.PLS.I.14.DC.SB	78.1%	\$1,000	\$2,000	80%	\$4,000	\$8,000	\$2,000	\$4,000	60%	\$6,000	\$12,000	\$25	\$50	\$75		\$250		Emb	Sep	\$100	\$10	20% to \$100	40% to \$300							
POS	EZU	V7C	ZS	Gold 3	GO3.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	78.7%	\$1,000	\$2,000	80%	\$4,000	\$8,000	\$2,000	\$4,000	60%	\$6,000	\$12,000	\$25	\$50	\$75		\$250		Emb	Sep	\$100	\$10	\$40	\$100	\$75	\$300					
POS	E0Z	V7M	A0	Gold 9-A	GO9.SBN.CHP.I.14.DC	102040.RDR.RXSBN.PLS.I.14.DC.SB	81.6%	\$1,000	\$2,000	90%	\$3,000	\$6,000	\$2,000	\$4,000	70%	\$6,000	\$12,000	\$20	\$40			Ded+\$250+Coins.		Emb	Sep		\$10	20% to \$100	40% to \$300							
POS	E0Z	V7M	YM	Gold 9	GO9.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	81.1%	\$1,000	\$2,000	90%	\$3,000	\$6,000	\$2,000	\$4,000	70%	\$6,000	\$12,000	\$20	\$40			Ded+\$250+Coins.		Emb	Sep		\$10	\$40	\$100	\$75	\$300					
POS	E0J	V7I	A0	Gold 6-A	GO6.SBN.CHP.I.14.DC	102040.RDR.RXSBN.PLS.I.14.DC.SB	79.7%	\$1,500	\$3,000	90%	\$4,000	\$8,000	\$2,000	\$4,000	70%	\$6,000	\$12,000	\$15	\$30	\$75		\$150		Emb	Sep		\$10	20% to \$100	40% to \$300							
POS	E0J	V7I	ZR	Gold 6	GO6.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	79.1%	\$1,500	\$3,000	90%	\$4,000	\$8,000	\$2,000	\$4,000	70%	\$6,000	\$12,000	\$15	\$30	\$75		\$150		Emb	Sep	\$50	\$10	\$40	\$100	\$75	\$300					
POS	E0C	V7G	A0	Gold 5-A	GO5.SBN.CHP.I.14.DC	102040.RDR.RXSBN.PLS.I.14.DC.SB	79.9%	\$1,300	\$2,600	90%	\$3,250	\$6,500	\$2,000	\$4,000	60%	\$6,000	\$12,000	\$25	\$50	\$75		\$150		Emb	Sep		\$10	20% to \$100	40% to \$300							
POS	E0C	V7G	ZS	Gold 5	GO5.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	78.5%	\$1,300	\$2,600	90%	\$3,250	\$6,500	\$2,000	\$4,000	60%	\$6,000	\$12,000	\$25	\$50	\$75		\$150		Emb	Sep	\$100	\$10	\$40	\$100	\$75	\$300					
POS-HSA	DXX	VDJ	YM	Silver 2	SL2.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	70.2%	\$2,000	\$4,000	70%	\$4,000	\$8,000	\$3,000	\$6,000	50%	\$10,000	\$20,000							NonEmb	Comb		\$10	\$40	\$100	\$75	\$300					
POS-HSA	DXX	VDJ	ZX	Silver 2-A	SL2.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	69.7%	\$2,000	\$4,000	70%	\$4,000	\$8,000	\$3,000	\$6,000	50%	\$10,000	\$20,000							NonEmb	Comb		\$15	30% to \$100	50% to \$300							
POS-HSA	DX7	VDS	YM	Silver 3	SL3.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	70.4%	\$2,000	\$4,000	90%	\$6,000	\$12,000	\$3,000	\$6,000	70%	\$10,000	\$20,000							NonEmb	Comb		\$10	\$40	\$100	\$75	\$300					
POS-HSA	DX7	VDS	ZX	Silver 3-A	SL3.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	69.3%	\$2,000	\$4,000	90%	\$6,000	\$12,000	\$3,000	\$6,000	70%	\$10,000	\$20,000							NonEmb	Comb		\$15	30% to \$100	50% to \$300							
POS-HSA	DYI	VDU	YM	Silver 4	SL4.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	71.0%	\$1,500	\$3,000	80%	\$6,000	\$12,000	\$3,000	\$6,000	60%	\$10,000	\$20,000							NonEmb	Comb		\$10	\$40	\$100	\$75	\$300					
POS-HSA	DYI	VDU	ZX	Silver 4-A	SL4.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	70.1%	\$1,500	\$3,000	80%	\$6,000	\$12,000	\$3,000	\$6,000	60%	\$10,000	\$20,000							NonEmb	Comb		\$15	30% to \$100	50% to \$300							
POS-HSA	DYQ	VDW	YM	Silver 5	SL5.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	69.1%	\$1,500	\$3,000	70%	\$6,000	\$12,000	\$3,000	\$6,000	60%	\$10,000	\$20,000							NonEmb	Comb		\$10	\$40	\$100	\$75	\$300					
POS-HSA	DYQ	VDW	ZX	Silver 5-A	SL5.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	68.3%	\$1,500	\$3,000	70%	\$6,000	\$12,000	\$3,000	\$6,000	60%	\$10,000	\$20,000							NonEmb	Comb		\$15	30% to \$100	50% to \$300							
POS	E2O	V7R	D0	Silver 7	SL7.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	71.5%	\$1,500	\$3,000	70%	\$6,250	\$12,500	\$4,000	\$8,000	50%	\$10,000	\$20,000	\$40	\$80	\$100		\$300		Emb	Sep	\$500	\$10	\$40	\$100	\$75	\$300					
POS	E2O	V7R	ZZ	Silver 7-A	SL7.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	69.2%	\$1,500	\$3,000	70%	\$6,250	\$12,500	\$4,000	\$8,000	50%	\$10,000	\$20,000	\$40	\$80	\$100		\$300		Emb	Sep	\$500	\$15	30% to \$100	50% to \$300							
POS	E2W	V7T	ZT	Silver 8	SL8.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	70.0%	\$2,000	\$4,000	70%	\$6,250	\$12,500	\$4,000	\$8,000	50%	\$10,000	\$20,000	\$40	\$80	\$100		\$300		Emb	Sep	\$250	\$10	\$40	\$100	\$75	\$300					
POS	E2W	V7T	ZY	Silver 8-A	SL8.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	68.8%	\$2,000	\$4,000	70%	\$6,250	\$12,500	\$4,000	\$8,000	50%	\$10,000	\$20,000	\$40	\$80	\$100		\$300		Emb	Sep	\$250	\$15	30% to \$100	50% to \$300							
POS	E28	V7V	ZT	Silver 9	SL9.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	70.5%	\$2,500	\$5,000	80%	\$6,250	\$12,500	\$4,000	\$8,000	60%	\$10,000	\$20,000	\$35	\$70	\$100		\$300		Emb	Sep	\$250	\$10	\$40	\$100	\$75	\$300					
POS	E28	V7V	ZY	Silver 9-A	SL9.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	69.0%	\$2,500	\$5,000	80%	\$6,250	\$12,500	\$4,000	\$8,000	60%	\$10,000	\$20,000	\$35	\$70	\$100		\$300		Emb	Sep	\$250	\$15	30% to \$100	50% to \$300							
POS	E2E	V7P	ZT	Silver 10	SL10.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	70.5%	\$3,000	\$6,000	90%	\$6,250	\$12,500	\$4,000	\$8,000	70%	\$10,000	\$20,000	\$35	\$70	\$100		\$300		Emb	Sep	\$250	\$10	\$40	\$100	\$75	\$300					
POS	E2E	V7P	ZY	Silver 10-A	SL10.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	68.4%	\$3,000	\$6,000	90%	\$6,250	\$12,500	\$4,000	\$8,000	70%	\$10,000	\$20,000	\$35	\$70	\$100		\$300		Emb	Sep	\$250	\$15	30% to \$100	50% to \$300							

Rate Changes - Plan Ratios (from Exhibit 1)

Product	Plan Name		Plan Ratio		% Chg
	Off	On	Current	Proposed	
EPO	C4O	VBY	1.01137	0.91023	-10.0%
EPO	EY1	V63	1.06734	0.96062	-10.0%
EPO	E43	V7W	1.03011	0.92711	-10.0%
EPO	E47	V7Y	1.02474	0.92228	-10.0%
EPO	E5N	V71	1.08999	0.98098	-10.0%
EPO	EYW	V61	1.02656	0.92390	-10.0%
EPO-HSA	DW7	VDN	0.77424	0.69682	-10.0%
EPO-HSA	DW7	VDN	0.77093	0.69384	-10.0%
EPO-HSA	DXP	VDP	0.86334	0.77701	-10.0%
EPO-HSA	DXP	VDP	0.86004	0.77404	-10.0%
EPO	EZJ	V67	0.87802	0.79022	-10.0%
EPO	EZJ	V67	0.86914	0.78223	-10.0%
EPO	EZ2	V7D	0.86015	0.77415	-10.0%
EPO	EZ2	V7D	0.86576	0.77919	-10.0%
EPO	E0P	V7J	0.85937	0.77343	-10.0%
EPO	E0P	V7J	0.85048	0.76544	-10.0%
EPO	E0X	V7L	0.91553	0.82398	-10.0%
EPO	E0X	V7L	0.90665	0.81599	-10.0%
EPO	EY5	V65	0.90085	0.81077	-10.0%
EPO	EY5	V65	0.89197	0.80278	-10.0%
EPO	EZS	V69	0.85664	0.77097	-10.0%
EPO	EZS	V69	0.84985	0.76487	-10.0%
EPO	E0H	V7H	0.90034	0.81031	-10.0%
EPO	E0H	V7H	0.88365	0.79529	-10.0%
EPO	EZ9	V7F	0.89862	0.80875	-10.0%
EPO	EZ9	V7F	0.87534	0.78781	-10.0%
EPO-HSA	DXY	VDI	0.67094	0.60385	-10.0%
EPO-HSA	DXY	VDI	0.66706	0.60035	-10.0%
EPO-HSA	DX9	VDR	0.68033	0.61229	-10.0%
EPO-HSA	DX9	VDR	0.67642	0.60879	-10.0%
EPO-HSA	DYJ	VDT	0.68399	0.61559	-10.0%
EPO-HSA	DYJ	VDT	0.68011	0.61209	-10.0%
EPO-HSA	DYP	VDV	0.66064	0.59458	-10.0%
EPO-HSA	DYP	VDV	0.65676	0.59108	-10.0%
EPO	E06	V7N	0.75709	0.68139	-10.0%
EPO	E06	V7N	0.73804	0.66423	-10.0%
EPO	E2M	V7Q	0.74793	0.67315	-10.0%
EPO	E2M	V7Q	0.72966	0.65670	-10.0%
EPO	E2U	V7S	0.75209	0.67689	-10.0%
EPO	E2U	V7S	0.73305	0.65974	-10.0%
EPO	E26	V7U	0.75964	0.68368	-10.0%
EPO	E26	V7U	0.74057	0.66653	-10.0%
EPO	E18	V7O	0.76209	0.68588	-10.0%
EPO	E18	V7O	0.74304	0.66873	-10.0%
EPO-HSA	DWZ	VDK	0.56655	0.50989	-10.0%
EPO-HSA	DW2	VDL	0.57114	0.51402	-10.0%
EPO-HSA	DW4	VDM	0.63730	0.57357	-10.0%

Product	Plan Name		Plan Ratio		% Chg
	Off	On	Current	Proposed	
POS	C5Z	VBZ	1.03397	0.93059	-10.0%
POS	EY2	V64	1.09014	0.98114	-10.0%
POS	E44	V7X	1.05051	0.94546	-10.0%
POS	E48	V7Z	1.04342	0.93909	-10.0%
POS	E5O	V72	1.11262	1.00136	-10.0%
POS	EYX	V62	1.04910	0.94420	-10.0%
POS-HSA	DXL	VDO	0.79851	0.71867	-10.0%
POS-HSA	DXL	VDO	0.79521	0.71569	-10.0%
POS-HSA	DXR	VDQ	0.88976	0.80079	-10.0%
POS-HSA	DXR	VDQ	0.88647	0.79782	-10.0%
POS	EZL	V68	0.89821	0.80839	-10.0%
POS	EZL	V68	0.88933	0.80039	-10.0%
POS	EZ4	V7E	0.88095	0.79286	-10.0%
POS	EZ4	V7E	0.88655	0.79791	-10.0%
POS	E0R	V7K	0.88003	0.79204	-10.0%
POS	E0R	V7K	0.87115	0.78404	-10.0%
POS	EY7	V66	0.92151	0.82937	-10.0%
POS	EY7	V66	0.91263	0.82137	-10.0%
POS	EZU	V7C	0.87708	0.78938	-10.0%
POS	EZU	V7C	0.87032	0.78328	-10.0%
POS	E0Z	V7M	0.93622	0.84260	-10.0%
POS	E0Z	V7M	0.92734	0.83460	-10.0%
POS	E0J	V7I	0.92121	0.82908	-10.0%
POS	E0J	V7I	0.90451	0.81406	-10.0%
POS	E0C	V7G	0.91920	0.82729	-10.0%
POS	E0C	V7G	0.89594	0.80634	-10.0%
POS-HSA	DXX	VDJ	0.69063	0.62157	-10.0%
POS-HSA	DXX	VDJ	0.68674	0.61807	-10.0%
POS-HSA	DX7	VDS	0.70154	0.63139	-10.0%
POS-HSA	DX7	VDS	0.69765	0.62789	-10.0%
POS-HSA	DYI	VDU	0.70437	0.63395	-10.0%
POS-HSA	DYI	VDU	0.70049	0.63045	-10.0%
POS-HSA	DYQ	VDW	0.67756	0.60980	-10.0%
POS-HSA	DYQ	VDW	0.67697	0.60928	-10.0%
POS	E2O	V7R	0.76488	0.68839	-10.0%
POS	E2O	V7R	0.74660	0.67194	-10.0%
POS	E2W	V7T	0.76896	0.69206	-10.0%
POS	E2W	V7T	0.74989	0.67491	-10.0%
POS	E28	V7V	0.77704	0.69934	-10.0%
POS	E28	V7V	0.75799	0.68219	-10.0%
POS	E2E	V7P	0.78009	0.70208	-10.0%
POS	E2E	V7P	0.76102	0.68493	-10.0%

Formula & Example

Exhibit 4

Rate Calculation Formula

Monthly premium =

Index Rate
x Plan Ratio
x Trend factor for plan effective or renewal date
x Sum of member age factors for the group

Rating Example

Benefit Plan: EPO plan EZ2 with Rx C0

Effective Date: 7/1/14

Census:

	Member Ages				Age Factors			
	EE Age	Spouse Age	Child #1	Child #2	EE	Spouse	Child #1	Child #2
EE #1	43	41	10	15	1.094	1.013	0.654	0.654
EE #2	35	36	5	9	0.876	0.896	0.654	0.654
EE #3	53	55	19		1.605	1.733	0.654	

Total Members: 11

Sum of Age Factors: 10.487

Rate Calculation

	Rating Factor	Exhibit 1 Location
\$458.28	Index Rate	(1)
0.77415	Plan Ratio (EZ2)	(2)
1.052	Trend Factor (3Q14)	(3)
10.487	Group Age Factor	(4)
<u>\$3,914.02</u>		
Total Monthly Premium		

Member Months, Earned Premium & Incurred Claim Experience - UHIC

Month	<u>Members</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Claim PMPM</u>	<u>Loss Ratio</u>
Jan-12	9,190	3,849,240	2,728,257	296.87	70.9%
Feb-12	9,374	3,954,953	2,599,181	277.28	65.7%
Mar-12	9,291	3,940,405	3,072,182	330.66	78.0%
Apr-12	9,175	3,912,866	2,698,096	294.07	69.0%
May-12	9,141	3,922,974	2,724,351	298.04	69.4%
Jun-12	9,136	3,940,596	2,604,675	285.10	66.1%
Jul-12	9,204	3,986,074	2,402,937	261.08	60.3%
Aug-12	9,266	4,007,942	2,720,091	293.56	67.9%
Sep-12	9,338	4,011,619	2,222,794	238.04	55.4%
Oct-12	9,083	3,934,272	2,431,348	267.68	61.8%
Nov-12	9,057	3,931,358	2,677,794	295.66	68.1%
Dec-12	8,920	3,876,665	2,446,344	274.25	63.1%
Total	110,175	47,268,964	31,328,050	284.35	66.3%

Explanation, Support & Development of PPACA Fee Increases

The Patient Protection and Affordable Care Act (PPACA) includes several new taxes and fees which will increase health insurance costs and need to be reflected in premium. The two largest cost impacts both take effect with calendar year 2014 earned premiums.

Insurer Fee. This is a permanent fee that applies to fully insured coverage. This fee will fund tax credits for insurance coverage purchased on the exchanges. The total fee increases from \$8B in 2014 to \$14.3B in 2018 (indexed to premium for subsequent years.) Each insurance carrier's assessment will be based on net written health insurance premiums in the prior year, with certain exclusions. The Oliver Wyman report "Simulation of the Impact of the Annual Fees on Insurers Using 2011 Data", dated June 27, 2012, estimates that the denominator premiums to which this fee will be applied will be \$527.085 billion. The fee must then be grossed up for federal income tax, since the member fee is not a tax deductible expense. As a % of premium, the needed fee is \$8B Insurer Fee / \$527.085 Net Industry Premiums / 65% FIT = 2.3%.

Reinsurance Assessment. This is a temporary fee that applies to all commercial groups (both fully insured and self-funded) from 2014 to 2016 for the purpose of funding the reinsurance pool for high cost claimants in the individual market during this three year transitional period. The total baseline amounts to be collected to fund this pool are \$12B in 2014, \$8B in 2015, and \$5B in 2016, and individual states can add to this baseline. Each insurance carrier will be assessed on a per capita basis. HHS has proposed a \$5.25 pmpm assessment for 2014, or an estimated 1.1% of DC small group premiums.

The total needed PPACA fee increase is 3.5% (2.3% for Insurer Fee, plus 1.2% for Reinsurance Assessment).

The below details the calculation of the Insurer Fee and Reinsurance Assessment.

Calculation of 2014 Fees Impact

Insurer Fee Impact Calculation

Insurer Fee in 2014 (Billions)	\$8
Projected 2013 Health Insurance Premiums (Billions)*	\$527.085
Insurer Fee as % of Health Insurance Premiums	1.5%
Gross Up by Federal Income Tax (35%)	2.3%

*from Oliver Wyman Study published on June 27, 2012

Reinsurance Assessment Impact Calculation

Reinsurance Assessment Per Member Per Month - HHS Proposed	\$5.25
Reinsurance Fee as a Percent of Premium	1.2%

DC Small Group Rate Review - Development of Experience Adjustment

	OCI	UHIC	Total
1. Experience 10/1/12-13			
1a. Member Months	21,901	106,419	128,320
1b. Average Mbrs (1a/12)	1,825	8,868	10,693
1c. Incurred Claims	\$5,348,744	\$31,804,630	\$37,153,374
1d. Claim PMPM (1c/1a)	\$244.22	\$298.86	\$289.54
1e. Earned Premium	\$10,627,196	\$47,277,649	\$57,904,845
1f. Premium PMPM (1e/1a)	\$485.24	\$444.26	\$451.25
1g. Loss Ratio (1c/1e)	50.3%	67.3%	64.2%
2. Needed Revenue for 7/1/14 Effective Date			
2a. Claim trend	1.195	1.195	1.195
From center of experience period: 4/1/13 to center of 07/1/14 pricing period: 1/1/15 (21 months at 10.7% annual rate)			
2b. Claim cost subtotal (1d x 2a)	\$291.77	\$357.05	\$345.91
2c. Target loss ratio	80.0%	80.0%	80.0%
2d. Needed revenue PMPM (2b/2c)	\$364.62	\$446.20	\$432.27
2e. PPACA Fees	1.035	1.035	1.035
2f. Market Dropout, Early Term / Renewal	1.013	1.013	1.013
2g. Risk Adjustment	1.068	1.068	1.068
2h. Needed Revenue PMPM 7/1/14 eff (2d x 2e x 2f x 2g)	\$408.28	\$499.63	\$484.04
3. Current Manual Rate 7/1/14			
3a. Medical base rate 7/1/2014	\$439.15	\$478.53	\$471.81
3b. Average medical plan relativity	0.8653	0.8465	0.8497
3c. Medical pricing trend factor	1.052	1.052	1.052
<u>3d. Subtotal: Medical (3a x 3b x 3c)</u>	<u>\$399.76</u>	<u>\$426.15</u>	<u>\$421.65</u>
3e. Pharmacy base rate 7/1/2014	\$148.52	\$148.52	\$148.52
3f. Average Rx plan relativity	0.5670	0.4908	0.5038
3g. Rx pricing trend factor	1.052	1.052	1.052
<u>3h. Subtotal: Pharmacy (3e x 3f x 3g)</u>	<u>\$88.58</u>	<u>\$76.68</u>	<u>\$78.71</u>
<u>3i. Subtotal: Medical+Pharmacy (3d + 3h)</u>	<u>\$488.34</u>	<u>\$502.84</u>	<u>\$500.36</u>
3j. Age Factors	1.1809	1.0599	1.0805
3k. Number of Children Limit Adjustment	0.9930	0.9930	0.9930
3l. Current premium PMPM for 7/1/14 effective date (3i x 3j x 3k)	\$572.66	\$529.22	\$536.63
4. Supportable Pricing Adjustment (2h / 3l -1) (rate adjustment required to achieve 80.0% loss ratio)	-28.7%	-5.6%	-9.8%

**UNITED HEALTHCARE
HEALTHCARE ECONOMICS**

Exhibit T

**DISTRICT OF COLUMBIA PRICING TREND DEVELOPMENT
APRIL 2013 RATE FILING SUPPORT**

SG PRICING TREND BY COMPONENT

SMALL GROUP PRICING TREND BY COMPONENT									
	Notes:	<u>Inpatient</u>	<u>Outpatient</u>	<u>Professional</u>	<u>Other</u>	<u>Capitation</u>	<u>Total Medical</u>	<u>Retail Pharmacy</u>	<u>Weighted Aggregate</u>
Total Proposed Pricing Trend	[6]	7.5%	12.7%	10.7%	11.0%	3.6%	10.4%	12.3%	10.7%
Utilization / Service Mix	[1] , [2]	0.1%	5.1%	4.4%	4.0%	0.0%	3.5%	4.2%	3.6%
Unit Cost	[3]	6.0%	5.4%	3.7%	4.7%	2.3%	4.8%	4.8%	4.8%
Benefit Leveraging	[4]	0.2%	0.7%	1.2%	0.9%	0.2%	0.8%	1.8%	0.9%
Margin		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
<u>Demographic Change</u>	[5]	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Sub-Total Claims Trend		7.5%	12.7%	10.7%	11.0%	3.6%	10.4%	12.3%	10.7%
Management Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

- [1] Represents core utilization only, exclusive of demographic change impacts; includes expected impact of changes in business day content.
- [2] Represents expected changes in intensity of services provided.
- [3] Represents core unit pricing increases, exclusive of service mix / intenisty of services impact;
- [4] Impact of member cost-share leveraging on net claims cost trend.
- [5] Represents trend impact of age and gender changes; No provision included for Small Group business (age/gender community rating variable).
- [6] Pricing models do not distinguish between Primary and Specialty medical care; same trends shown for both.

State:	District of Columbia	Filing Company:	UnitedHealthcare Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003G Small Group Only - Other		
Product Name:	DC-SG-UHIC-2014-07		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	DC-SG-UHIC-Cover-2014-02-27.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	Not Applicable
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	DC-SG-UHIC-ActMemo-2014-02-27.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	See Actuarial Memorandum
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Not Applicable
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

State:	District of Columbia	Filing Company:	UnitedHealthcare Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003G Small Group Only - Other		
Product Name:	DC-SG-UHIC-2014-07		
Project Name/Number:	/		

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	Initial submission
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III-DC-UHIC-2014-07 (2014-02-27).pdf
Item Status:	
Status Date:	

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	DC-UHIC-URRT-2014-07 (2-27-2014).xlsm
Item Status:	
Status Date:	

Satisfied - Item:	Rate Filing Exhibits
Comments:	
Attachment(s):	DCSG-UHIC-2014-07-All Exhibits 2014-02-27.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

UHLC-129435525

State Tracking #:**Company Tracking #:**

State:

District of Columbia

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003G Small Group Only - Other

Product Name:

DC-SG-UHIC-2014-07

Project Name/Number:

/

Attachment DC-UHIC-URRT-2014-07 (2-27-2014).xlsm is not a PDF document and cannot be reproduced here.



185 Asylum Street, CT039-16B
Hartford, CT 06103
Phone 860-702-5540 Fax 860-702-5016
E-Mail: boris_gerber@uhc.com

February 27, 2014

Efren Tanhehco, Actuary
DC Department of Insurance & Securities Regulation
810 First Street, NE Suite 701
Washington, DC 20002

Re: UnitedHealthcare Insurance Company
Small Group (2-50) Rate Filing

Dear Mr. Tanhehco:

This rate filing presents proposed premium rates effective July 1, 2014 through December 31, 2014 for medical and Rx benefit plans to be sold by the UnitedHealthcare Insurance Company to small group employers. The benefit plans and rates are for non-grandfathered employers, and are for both on and off-exchange.

A. Company Name: UnitedHealthcare Insurance Company

B. NAIC Company Code: 79413

C. Marketing Name of Products: Choice Insurance (or EPO), and Choice Plus Insurance (or POS).

D. Date Filing Submitted: 2/27/2014

E. Proposed Effective Date: 7/1/2014

F. Type of Product: Medical and prescription drug insurance, offered both in-network only and in-network with out-of-network benefits.

G. Market: Small group.

H. Scope and Purpose of Filing: Filing for a 10% reduction to currently filed 2014 3rd quarter and 4th quarter rates for small group plans meeting the requirements of the Patient Protection and Affordable Care Act (PPACA).

I. Initial Filing or Rate Change: Rate change to previously filed and approved rates.

J. Overall Premium Impact of Filing on DC Policyholders: A 10.0% rate reduction.

K. Contact Information: Boris Gerber, 860-702-5540, boris_gerber@uhc.com.

If you have any questions, please do not hesitate to call.

Sincerely,

Boris P. Gerber, FSA, MAAA
Actuary, UnitedHealthcare

Actuarial Memorandum
UnitedHealthcare Insurance Company, NAIC #79413
DC Small Group Rate Filing

February 27, 2014

This rate filing presents proposed premium rates effective July 1, 2014 through December 31, 2014 for new medical and Rx benefit plans to be sold by the UnitedHealthcare Insurance Company to small group employers (employers with 50 or fewer eligible employees).

The benefit plans and rates are for non-grandfathered employers, and are for both on and off-exchange. The proposed rates and rate factors are in Exhibit 1. Benefit plan descriptions are in Exhibit 2, which also displays the metal level and actuarial value of each benefit plan. Rates are presented for 89 plans: 47 EPO (exclusive provider) and 42 POS (point-of-service, includes out-of-network benefits) plans.

Purpose of Filing. We are reducing our previously filed 3rd quarter 2014 and 4th quarter 2014 rates by 10.0%.

The 10% rate reduction is incorporated in each of our benefit plan price ratios. Please see Exhibit 3 for detail on the rate changes.

There are no other changes to our current approved rates.

A. Description of Benefits. Benefit plan descriptions are in Exhibit 2.

B. Issue Age Range. All ages.

C. Marketing Method. The products will be offered on the exchange, and also marketed through independent brokers and consultants.

D. Premium Basis. Member level rating.

E. Nature of Rate Change and Proposed Rate/Methodology Change. Lowering previously approved rates by 10.0%. No change to the rating methodology.

F. For Each Change, Indication if New or Modified. Lowering previously approved rates by 10.0%.

G. For Each Change, Comparison to Status Quo. Lowering previously approved rates by 10.0%.

H. Summary of How Each Proposed Modification Differs from Corresponding Current/Approved Rate/Methodology. Lowering previously approved rates by 10.0%.

I. Annual Rate Change for DC Policyholders. Lowering previously approved rates by 10.0%.

J. Base Period Experience. The base period experience represents all of UnitedHealthcare Insurance Company (UHIC) and Optimum Choice, Inc. (OCI) individual and small group business in the DC market. Note: UHIC and OCI do not market and have no Individual experience in DC. The base period claims experience is for 1/1/2012 through 12/31/2012 dates of service, for claims paid through March, 2013. The estimate included for claims incurred but not paid is \$233,333 for UnitedHealthcare Insurance Company. No adjustments have been made for large group pooling.

K. Projected Base Period Experience. All claims in the base period are believed to be for essential health benefits. The cost of additional required essential health benefits in 2014 is described in the

next section “L. Manual Rate Development”. The assumptions used to develop the requested trend increases are shown in Exhibit T. In addition to unit cost and utilization, deductible (or benefit) leveraging is utilized in the trend estimate. These factors are not utilized in the trend determination: future/new benefits and/or mandates, risk profile changes, aging of population, increased portion of pool from conversion policies, and changes in gender and other demographic characteristics. No adjustments have been made to the underlying demographics of the population expected to be insured.

L. Manual Rate Development. The base experience is shown in Exhibit A.

Based upon an evaluation of developing experience, we believe it is appropriate to reduce the current approved rates by 10%.

Trend: The assumptions used to develop the requested trend increases are shown in Exhibit T (no change from current approved filing).

PPACA Fees: The assumptions used to develop the requested PPACA fee increases are shown in Exhibit B (no change from current approved filing).

M. Credibility. The combined DC experience on our two small group licenses is assumed to be credible.

N. Projected Index Rate. There is no change to the index rate from our current approved filing. The index rate, prior to adjustment for payments and charges under the risk adjustment and transitional reinsurance programs, as defined by 45 CFR 156.80(d), is calculated and shown in the URRT. The index rate represents the average allowed claim cost per member per month for coverage of essential health benefits for the small group market. Allowed claims were used as the basis for developing the index rate.

O. Market-wide Adjustments to the Index Rate. There are no changes from our current approved filing.

P. Plan Level Adjustments to the Index Rate. Each benefit plan ratio is being reduced 10% from our current approved rate filing.

Q. Non-Benefit Expenses. The expenses assumed in the development of the proposed rates are as follows. These are the total average expenses for the two small group licenses. Except for the addition of PPACA fees, they are actual 2012 year average expenses that are expected to continue in the future.

<u>% of Premium</u>	<u>Expense Category</u>
4.5%	General administrative expenses
0.5%	Sales and marketing
3.5%	Commissions and broker fees
5.7%	Premium taxes and other taxes, licenses and fees (does not include FIT)
1.1%	Quality improvement and fraud detection
1.6%	Federal income taxes
<u>3.0%</u>	<u>Profit</u>
20.0%	Total

R. Filed Loss Ratio. The anticipated traditional loss ratio (incurred claims divided by premium) is 80.0%. The anticipated Federal MLR is 84.5%. The estimated Federal MLR adjustments are as follows:

5.3% Taxes, regulatory fees and assessments
-1.0% GAAP Medical reclass to MLR SG&A
1.0% QI/HIT Medical costs added
0.1% Bad debt
0.0% Credibility adjustment
5.4% Total

S. Actuarial Certification.

I, Boris P. Gerber am an actuary of UnitedHealthcare and a member of the American Academy of Actuaries.

I certify that the projected index rate is in compliance with 45 CFR 156.80(d)(1) and developed in compliance with applicable ASOPs.

I certify that the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

I certify that the AV Calculator was used to determine the AV Metal Values. For plans designs that did not fit into the AV Calculator, included in the Part III Actuarial Memorandum is a description of the methodology and numerical values used to develop the AV metal values, and a certification as required by 45 CFR Part 156, §156.135.

I certify that the rates comply with all applicable District of Columbia and Federal laws and regulations.

I certify that the rates are reasonable in relation to the benefits provided, and are not excessive, deficient nor unfairly discriminatory.

I qualify my opinion to state that my certification is based on confirmation received from the District of Columbia (DC) Department of Insurance and Exchange at our telephonic meeting on June 24, 2013, where the Department and Exchange advised that DC is not merging the individual and small group markets for federal law purposes, such as, risk adjustment, transitional reinsurance, risk corridor, and medical loss ratio (among other federal requirements). And, specifically, confirmation from the Department and Exchange that when HHS applies the risk adjustment calculation that it will treat DC as a non-merged market and calculate risk score separately for individual and small group market in the DC market. If this is an inaccurate summary of confirmation received on June 24th, and that DC is in fact a merged market for federal law purposes (most notably risk adjustment), then please advise as soon as possible so that we can take appropriate steps towards revising this filing and certification accordingly.

I qualify my opinion to state that the Part I Unified Rate Review Template does not demonstrate the process used by UnitedHealthcare to develop the rates. This process is described in this submitted actuarial memorandum. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

Sincerely,



Boris P. Gerber, FSA, MAAA

Actuary, UnitedHealthcare

Date: February 27, 2014

T. District of Columbia Loss Ratio Analysis.

- i. Evaluation Period: 1/1/2012 – 12/31/2012
- ii. Earned Premiums: See Exhibit A.
- iii. Claims: See Exhibit A.
- iv. Number of Claims: Not available.
- v. Loss Development Factors: See Exhibit C.
- vi. Loss Ratio Demonstrations: See Exhibit C.
- vii. Permissible Loss Ratio: 80% Federal MLR.
- viii. Credibility Analysis: We believe our DC experience is credible.
- ix. Determination of Overall Annual Rate Change: See section “L. Manual Rate Development”.

U. District of Columbia and Countrywide Experience.

- i. Earned Premium: See Exhibit A.
- ii. Number of policyholders: As of March, 2013: 635 group policyholders.
- iii. History of Rate Changes: 2.6% quarterly trend increase effective 4/1/14.

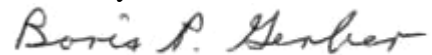
List of exhibits included in rate filing:

- Exhibit 1: Rates and rate factors.
- Exhibit 2: Benefit plan descriptions.
- Exhibit 3: Rate factor changes.
- Exhibit 4: Rating example.
- Exhibit A: Member months, earned premium & incurred claim experience.
- Exhibit B: Explanation, support & development of PPACA fees.
- Exhibit C: Base rate review & development of experience adjustment.
- Exhibit T: Trend assumptions and development.

Please keep these rates confidential to the extent allowed by DC law.

If you have questions, or need any further information, please do not hesitate to contact me.

Sincerely,



Boris P. Gerber, FSA, MAAA
Actuary, UnitedHealthcare

Federal Rate Filing Justification Part III
Actuarial Memorandum & Certification
For UnitedHealthcare Insurance Company

District of Columbia Rate Review

Purpose: The purpose of this actuarial memorandum is to provide information relevant to the Part I Health Uniform Rate Review Template (HURRT).

Company Identifying Information:

- **Company Legal Name:** UnitedHealthcare Insurance Company
- **State:** District of Columbia
- **HIOS Issuer ID:** 41842
- **Market:** Small Group
- **Effective Date:** 7/1/2014

Company Contact Information:

- **Primary Contact Name:** Boris Gerber
- **Primary Contact Telephone Number:** 860-702-5540
- **Primary Contact Email Address:** boris_gerber@uhc.com

Proposed Rate Change: UnitedHealthcare is filing to reduce our previously filed and approved 3rd quarter 2014 and 4th quarter 2014 rates by 10.0%, based upon an evaluation of developing experience..

Experience Period Premiums and Claims:

- **Paid Through Date:** The experience period is 1/1/2012 to 12/31/2012 paid through 3/31/2013.
- **Premiums (net of MLR Rebate) in Experience Period:** Earned premiums for the experience period are given in Part I. The earned premiums are the sum total of the actual premiums in the experience period for each small group policy. UnitedHealthcare Insurance Company anticipates paying \$1,200,000 in MLR rebates for 2012 premiums.
- **Allowed and Incurred Claims Incurred During the Experience Period:** Incurred claims were developed by first starting with actual claims paid through 3/31/13 by incurred date. To these paid claims estimates of incurred but not paid were added. Here is a description of the reserve methodology:

The UnitedHealthcare Reserving process utilizes the Reserve Production System (RPS) to record reserves into the PeopleSoft general ledger. Fee for service and paid claim data is loaded into RPS and becomes the basis for the monthly reserve calculations at the various business unit, location, and line of business levels. The assignment of the paid claims into RPS packages is based on the mapping rules maintained by the Corporate Actuarial department. RPS calculates a preliminary best estimate Incurred But Not Reported (IBNR) for each reserving model (package) primarily using standard completion factors based on historical claim experience. The Claims Reserving Team adjusts the preliminary IBNR based on specific knowledge of the entity (i.e.

catastrophic claims, pending claims, etc.) to calculate the final IBNR. In months where adjudicated claims experience is not complete enough for an estimate using completion factors, a seasonally adjusted PMPM is used to estimate incurred claims.

A description of the Sarbanes Oxley controls, audited by Deloitte & Touche, in place regarding the reserving process include:

- 1) Market Paid claim Tie-outs: To verify completeness and accuracy of financial data in RPS, paid claim data is tied out between source system (RPS) and PeopleSoft general ledger.
 - 2) Market Expense Tie-outs: RPS reserve changes on the income statement are tied to the PeopleSoft general ledger to ensure that information is accurate subsequent to computing the reserve.
- Allowed claims by benefit category were obtained from UnitedHealthcare claim paying system reports.

Benefit Categories:

Inpatient Hospital

- Includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

Outpatient Hospital

- Includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation, ambulance, home health care, DME, other services provided in an outpatient facility setting and billed by the facility.

Professional

- Includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, and other professional services, other than hospital based professionals whose payments are included in facility fees.

Pharmacy

- Includes drugs dispensed by a pharmacy, not dispensed by facility (i.e. via inpatient, outpatient), and not physician administered drugs. This amount is net of rebates received from drug manufacturers.

Capitation

- Includes all MHCD services provided under capitated arrangement

Other

- Includes non-capitated, fee-for-service costs for physician procedures, inpatient stay, or and outpatient procedure related to Mental Health / Chemical Dependency (MHCD)

Projection Factors:

- **Changes in the Morbidity of the Population Insured:** A 1.3% increase is included in the URRT to reflect the adjustment for overall changes to the small group marketplace in 2014.
- **Changes in Benefits:** 1.6% included in the URRT is the estimate of the cost of adding Essential Health Benefits developed using UnitedHealthcare national experience. No other benefit changes are assumed.
- **Changes in Demographics:** No changes in demographics are assumed. The HHS proposed age factors adopted by DC are used in rating.
- **Trend Factors:** United Healthcare Medical Expense Forecasting Process Overview & Considerations:

UnitedHealthcare develops forward-looking medical expense estimates based on a number of considerations. In general, recent/emerging claims experience is reviewed at the market level for several broad medical expense categories (inpatient, professional, pharmacy, etc.), with utilization, unit cost, benefit leveraging, and business mix identified for each category. Future trends are developed based on a projection of each component.

Utilization rates by category are measured and projected net of business mix (employer mix, benefit mix, demographic mix, etc.). Forward looking utilization levels are developed based on emerging market level data, supplemented by regional and/or national level utilization data. Macro-economic data is often used to develop assumptions regarding directional changes in national health care consumption rates.

Market-level unit cost projections are developed based on evaluations of current and anticipated provider contract economics, as well as consideration to both current and expected changes in non-contracted provider cost exposure. Unit cost projections also consider the estimated cost impact of new technologies, service availability/mandates, or other factors that might influence mix of procedures.

In addition, market-level healthcare affordability activities that are expected to impact forward-looking medical costs are recognized. Depending on the nature of individual initiatives, the impact may be recognized in one or more of the component cost items discussed above. Only incremental activities are recognized for this purpose in the expected trend impact for any particular period.

Business mix changes that influence medical cost trends are also reviewed and projected, with appropriate input from sales and underwriting staff. These factors include changing mix of employer groups, mix of benefits, and demographic changes. For the purposes of developing premium pricing trend projections, the component of trend attributable to business mix is excluded.

Credibility Manual Rate Development: The combined DC experience on our two small group licenses is assumed to be credible.

DC Total Experience

Premiums (net of MLR Rebate) in Experience Period:	\$ 56,806,574
Incurred Claims in Experience Period	\$ 37,174,516
Allowed Claims:	\$ 44,186,505
Index Rate of Experience Period	329.24
Experience Period Member Months	134,209

Paid to Allowed Ratio: The paid to allowed average factor for the projection period is based on the actual paid to allowed in the experience period.

Risk Adjustment and Reinsurance:

- **Projected Risk Adjustments (PMPMs):** Based on an analysis done in conjunction with Wakely Consulting Group, based on an analysis of just the small employer market in DC, we estimate that we will be a 6.8% risk payer in total for our two licenses.
- **Projected ACA Reinsurance Recoveries Net of Reinsurance Premium:** This item is for the Individual and Combined Markets. Our rates are only for small groups within the combined DC market.

Non-Benefit Expenses and Risk Margin: The expenses assumed in the development of the proposed rates are as follows: The administrative expenses are the total average expenses for the two small group licenses. Except for the addition of PPACA fees, they are actual 2012 year average expenses that are expected to continue in the future.

% of Premium	Expense Category
9.7%	Admin Expenses
3.0%	Profit & Risk Load
<u>7.3%</u>	Taxes & Fees
20.0%	Total

Projected Loss Ratio: The projected loss ratio using federally prescribed MLR methodology is 84.3%.

Index Rate:

DC Small Group													
2014 Effective Dates	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months	1,455	885	737	686	677	917	764	791	778	851	1,034	898	10,473
Allowed Claims PMPM 2012	329.24	329.24	329.24	329.24	329.24	329.24	329.24	329.24	329.24	329.24	329.24	329.24	329.24
Annual Trend Rate	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
Months of Trend	24	25	26	27	28	29	30	31	32	33	34	35	
Projected Allowed Claims	403.46	406.89	410.36	413.85	417.37	420.92	424.50	428.11	431.75	435.43	439.13	442.87	422.34
Base Index Rate	422.34												
Benefit Increase (EHB)	1.60%												
Subtotal	429.10												
Risk Adjustment	6.80%												
2014 Index Rate	458.28												

AV Metal Values: The below actuarial certification describes the methodology and the AV calculator input values used for the plan design features that do not fit into the parameters of the AV calculator.

Certification for AV Calculator									Exhibit D
Estimation of fit of plan design into the parameters of AV calculator									
Metallic Plan (f)	Medical Copays After Deductible		OP Copay		Rx Effective Coinsurance Estimation				Methodology
	ER Copays	Imaging (CT/PET Scans, MRIs)	Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Generics	Preferred Brand Drugs	Non-Preferred Brand Drugs	Specialty Drugs (i.e. high-cost)	
Bronze 1	-	-	-	-	70.08%	74.08%	69.67%	96.64%	a, e
Bronze 1-A	-	-	-	-	67.1%	67.1%	67.1%	67.1%	b
Bronze 2	-	-	-	-	70.08%	74.08%	69.67%	96.64%	a, e
Bronze 2-A	-	-	-	-	67.1%	67.1%	67.1%	67.1%	b
Bronze 3	-	-	-	-	70.08%	74.08%	69.67%	96.64%	a, e
Bronze 3-A	-	-	-	-	67.1%	67.1%	67.1%	67.1%	b
Silver 1	-	-	54.09% (c)	-	-	74.21%	71.01%	96.59%	a, c, d, e
Silver 1-A	-	-	54.09% (c)	-	61.10%	61.10%	61.10%	61.10%	b, c, d
Silver 2	-	-	-	-	71.35%	74.21%	71.01%	96.59%	a, e
Silver 2-A	-	-	-	-	67.10%	67.10%	67.10%	67.10%	b
Silver 3	-	-	-	-	71.35%	74.21%	71.01%	96.59%	a, e
Silver 3-A	-	-	-	-	67.10%	67.10%	67.10%	67.10%	b
Silver 4	-	-	-	-	71.35%	74.21%	71.01%	96.59%	a, e
Silver 4-A	-	-	-	-	67.10%	67.10%	67.10%	67.10%	b
Silver 5	-	-	-	-	71.01%	74.21%	71.01%	96.59%	a, e
Silver 5-A	-	-	-	-	67.10%	67.10%	67.10%	67.10%	b
Silver 7	-	-	63.1% (c)	-	-	74.21%	71.01%	96.59%	a, c, d, e
Silver 7-A	-	-	63.1% (c)	-	57.01%	57.01%	57.01%	57.01%	b, c, d
Silver 8	-	-	63.1% (c)	-	-	74.21%	71.01%	96.59%	a, c, d, e
Silver 8-A	-	-	63.1% (c)	-	61.10%	61.10%	61.10%	61.10%	b, c, d
Silver 9	-	-	72.12% (c)	-	-	74.21%	71.01%	96.59%	a, c, d, e
Silver 9-A	-	-	72.12% (c)	-	61.10%	61.10%	61.10%	61.10%	b, c, d
Silver 10	-	-	81.13% (c)	-	-	74.21%	71.01%	96.59%	a, c, d, e
Silver 10-A	-	-	81.13% (c)	-	61.10%	61.10%	61.10%	61.10%	b, c, d
Gold 1	-	-	-	-	71.01%	75.58%	73.62%	96.51%	a, e
Gold 1-A	-	-	-	-	75.10%	75.10%	75.10%	75.10%	b
Gold 2	-	-	64.25% (c)	-	-	-	-	96.51%	b, c, d, e
Gold 2-A	-	-	64.25% (c)	-	75.08%	75.08%	75.08%	75.08%	b, c, d
Gold 3	-	-	73.43% (c)	-	71.01%	75.58%	73.62%	96.51%	a, c, d, e
Gold 3-A	-	-	73.43% (c)	-	70.46%	70.46%	70.46%	70.46%	b, c, d
Gold 4	-	-	72.12% (c)	-	71.01%	75.58%	73.62%	96.51%	a, c, d, e
Gold 4-A	-	-	72.12% (c)	-	64.91%	64.91%	64.91%	64.91%	b, c, d
Gold 5	-	-	85.57% (c)	-	71.01%	75.58%	73.62%	96.51%	a, c, d, e
Gold 5-A	-	-	85.57% (c)	-	75.08%	75.08%	75.08%	75.08%	b, c, d
Gold 6	-	-	85.57% (c)	-	71.01%	75.58%	73.62%	96.51%	a, c, d, e
Gold 6-A	-	-	85.57% (c)	-	75.08%	75.08%	75.08%	75.08%	b, c, d
Gold 7	86.72% (a)	-	-	-	71.01%	75.58%	73.62%	96.51%	a, e
Gold 7-A	-	-	-	-	75.08%	75.08%	75.08%	75.08%	a
Gold 8	-	63.47% (a)	-	73.43% (c)	-	-	-	96.51%	a, b, c, d, e
Gold 8-A	-	63.47% (a)	-	73.43% (c)	75.08%	75.08%	75.08%	75.08%	a, b, c, d
Gold 9	-	63.47% (a)	-	82.61% (c)	-	-	-	96.51%	a, b, c, d, e
Gold 9-A	-	63.47% (a)	-	82.61% (c)	75.08%	75.08%	75.08%	75.08%	a, b, c, d
Gold 10	-	63.47% (a)	-	73.43% (c)	-	-	-	96.51%	a, b, c, d, e
Gold 10-A	-	63.47% (a)	-	73.43% (c)	75.08%	75.08%	75.08%	75.08%	a, b, c, d
Platinum 1	-	63.47% (a)	-	91.79% (c)	-	-	-	95.82%	a, b, c, d, e
Platinum 2	-	-	95.07% (c)	90.15% (c)	71.89%	77.39%	73.88%	95.82%	a, b, c, d, e
Platinum 3	-	-	-	-	57.94%	85.87%	82.58%	95.82%	a, e
Platinum 4	-	-	-	95.07% (c)	-	-	-	95.82%	b, c, d, e
Platinum 5	-	-	96.72% (c)	90.15% (c)	57.94%	85.87%	82.58%	95.82%	a, c, d, e
Platinum 6	-	-	97.54% (c)	95.07% (c)	-	-	-	95.82%	b, c, d, e
Methodology									
a) From Row 50 of AV Calculator's Users Guide: "If "Subject to Deductible" is checked and a copay is entered, the enrollee pays both the copay and the remainder of the cost, with the latter going towards the deductible." For the plans that have copays after deductible, the effective co-insurance is estimated using Actuarial Value Calculator's Unit Cost per Visit determined from the continuance table.									
b) Actuarial Value Calculator does not support Rx benefit with coinsurance and per script max, so company's pharmacy data was used to blend Rx tiered benefits and to estimate effective co-insurance factor.									
c) Actuarial Value Calculator does not support outpatient copay, company's data was used to estimate effective co-insurance factor.									
d) Actuarial Value is the blend of Free-Standing and Hospital setting run, where Free Standing and Hospital Setting utilization are 45% and 55%, respectively.									
e) Specialty Rx: Multiple cost sharing levels are combined into a composite level using PHS tool unit cost to different tiers.									
f) See Exhibit 2 for plan benefit description, and for tie-in to benefit plan name and schedule of benefits form number.									
g) Gold 4/4A: Actuarial value is the blend of estimated 63.5% of members who will utilize premium designated provider and 36.5% of members who will utilize non-premium designated provider.									
Certification									
For plan design features that do not fit into the parameters of the AV Calculator, I certify that both the methodology and the calculated estimated values are in accordance with generally accepted actuarial principles and methodologies.									
<i>Boris P. Gerber</i>									
Boris P. Gerber, FSA, MAAA									

AV Pricing Values: The fixed reference plan selected as the basis for the AV Pricing Values is medical plan E50/V72 with Rx plan ZU. 100% of the AV Pricing Value is attributable to the cost-sharing design of the plans.

Membership Projections: Membership is projected to continue at the current February, 2013 level.

Note on Standard Component IDs (SCIDs) in URRT: The benefit plan SCIDs indicated in the URRT submitted with our 1/1/2014 rate filing did not match the SCIDs used in the QHP Rate Templates and Plan Benefit Templates. The SCIDs in this URRT have been corrected to match the Rate Templates and Plan Benefit Templates for each benefit plan.

For identical benefit plans offered both on and off-Exchange, the same 14 character SCID is used, with the appropriate “yes” or “no” indicated in the “Exchange Plan?” row.

Terminated Products: The terminated plans are listed below

EPO		POS		POS		Rx		2011 COC Plans	
2HK	D1N	8VA	D5E	LIH	USS	0H	BM	WMY	HS5
2HL	D1O	8VB	D5F	USA	UST	0I	BY	DFG	HS6
2HM	D1P	8VC	D5G	USB	USU	2V	CC	DFH	HS7
2HN	D1Q	ANA	D5H	USC	USV	3B	CD	DFR	DFJ
D0A	D1R	ANB	D5I	USD	USW	4F	CE	DFS	DFK
D0B	D1S	ANC	D5J	USE	USY	5U	CF	DFT	DFI
D0C	D1T	AND	D5K	USF	USZ	5W	CG	DFU	DFL
D0D	D1U	D01	D5L	USG	W8D	7L	CQ	DFV	DFM
D0E	D1V	D02	D5M	USH	W8E	7M	DS	DFW	DFN
D0F	D1W	D03	D5N	USI	W8F	7R	DZ	DGK	DFO
D0G	D1X	D04	D5O	USJ	W8G	7S	EA	DGQ	DFP
D0H	D1Y	D05	D5P	USK	W8H	7T	F5	DGR	DFQ
D0I	D1Z	D06	D5Q	USL	W8I	7U	F7	DGS	1TT
D0J	D3A	D07	D5R	USM	Y3D	7V	G4	DGT	1TV
D0K	D3B	D08	D5S	USN	Y3E	7W	H9	DGU	HSY
D0L	D3C	D09	D5T	USO	Y3F	7X	K4	DGV	HSZ
D0M	D3D	D0W	D5U	USP	Y3G	7Y	K5	DGW	FBP
D0N	D3E	D0X	D5V	USQ	Y3H	7Z	K6	DGX	HS1
D1A	D3F	D0Y	D5W		Y3I	8A	N7	DGL	HS2
D1B	D3G	D0Z	2EM			8H	N8	DGM	2BK
D1C	D3H	D4A	D5X	POS - HSA		8I	P9	DGN	DD7
D1D	D3I	D4B	D5Y	D6A	HDN	8J	S5	DGO	DD8
D1E	D3J	D4C	D5Z	D6B	HDO	8Y	S8	DGP	DD9
D1F	D3K	D4D	DKA	D6C	HDP	8Z	U8	P0C	DEK
D1G	D3L	D4E	DKB	D6D	HDQ	9A	W1	FD2	DEL
D1H	I0N	D4F	DKC	D6E	HYA	A2	W2	HS3	CM8
D1I	I0O	D4G	DKD	D6F	HYB	AU	Y6	HS4	CM9
D1J	I0P	D4H	DKE	D6G	HYC	BK	SP1	FD1	DEM
D1K	4EE	D4I	DKF	D6H	I0F	BL	SP2		
D1L	4EG	D4J	DKG	D6S	I0G		SP3		
D1M	4EH	D4K	DKH	HDD	I0H	HSA Rx			
		D4L	DKI	HDE	I0I	H9 HSA			
		D4M	G8A	HDF	I0J				
		D4N	G8B	HDG	I0K	PPO			
		D4O	G8C	HDH	I0L	D9A	NAD		
		D4P	I0A	HDI	I0M	D9B	NAJ		
		D4Q	I0B	HDJ	I0T	LKA	NAN		
		D4R	I0C	HDK	I1T	LKG	NDA		
		D4S	I0D	HDL	RTA	LKH	NDB		
		D4T	I0E	HDM	RTB	NAA	NDC		
		D4U	I0Q	RTC		NAB	NDD		
		D4V	I0R			NAC			
		D4W	I1S	PPO - HSA					
		D4X	JKH	LDD	LDP				
		D4Z	JKI	LDF	LDQ				
		D5A	LIA	Indemnity					
		D5B	LIB	CWJ	D7B				
		D5C	LIF	D7A					
		D5D	LIG						
EPO - HSA									
D0O	D2A								
D0P	D2B								
D0Q	D2C								
D0R	D2D								
D0S	D2E								
D0T	D2F								
D0U	D2G								
D0V	I0S								

Plan Type: Not applicable.

Warning Alerts: Warning alerts occur because all of the current plans will be terminated during the projection period.

Reliance: Not applicable.

Actuarial Certification:

I, Boris P. Gerber am an actuary of UnitedHealthcare and a member of the American Academy of Actuaries.

I certify that the projected index rate is:

- a. In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)),
- b. Developed in compliance with the applicable Actuarial Standards of Practice,
- c. Reasonable in relation to the benefits provided and the population anticipated to be covered, and
- d. Neither excessive nor deficient.

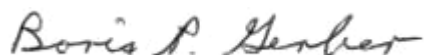
I certify that the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

I certify that the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

I certify that the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template. For plans designs that did not fit into the AV Calculator, included in this Part III Actuarial Memorandum is a description of the methodology and numerical values used to develop the AV metal values, and a certification as required by 45 CFR Part 156, §156.135.

I qualify my opinion to state that the Part I Unified Rate Review Template does not demonstrate the process used by UnitedHealthcare to develop the rates. This process is described in detail in my state submitted actuarial memorandum. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

Sincerely,



Boris P. Gerber, FSA, MAAA
Actuary, UnitedHealthcare
185 Asylum Street, CT039-16B

Hartford, CT 06103

Phone 860-702-5540 Fax 860-702-5016

Date: 2/27/2014

Rate Factors

Exhibit 1

(1) Index Rate: \$458.28

(2) Benefit Plan Ratios

CH/INS (EPO) Plans						
Product	Plan Name			Metal Level	Actuarial Value	Plan Ratio
	Medical		Rx			
	Exchange					
	Off	On				
EPO	C40	VBY	ZV	Platinum	88.2%	0.91023
EPO	EY1	V63	ZU	Platinum	90.7%	0.96062
EPO	E43	V7W	YM	Platinum	88.5%	0.92711
EPO	E47	V7Y	ZR	Platinum	88.5%	0.92228
EPO	E5N	V71	ZU	Platinum	91.9%	0.98098
EPO	EYW	V61	ZV	Platinum	89.0%	0.92390
EPO-HSA	DW7	VDN	A0	Gold	78.5%	0.69682
EPO-HSA	DW7	VDN	YM	Gold	78.4%	0.69384
EPO-HSA	DXP	VDP	A0	Gold	78.1%	0.77701
EPO-HSA	DXP	VDP	YM	Gold	78.0%	0.77404
EPO	EZJ	V67	A0	Gold	79.5%	0.79022
EPO	EZJ	V67	YM	Gold	78.8%	0.78223
EPO	EZ2	V7D	C0	Gold	79.1%	0.77415
EPO	EZ2	V7D	ZT	Gold	78.9%	0.77919
EPO	E0P	V7J	A0	Gold	78.9%	0.77343
EPO	E0P	V7J	YM	Gold	78.3%	0.76544
EPO	E0X	V7L	A0	Gold	81.6%	0.82398
EPO	E0X	V7L	YM	Gold	81.1%	0.81599
EPO	EY5	V65	A0	Gold	81.4%	0.81077
EPO	EY5	V65	YM	Gold	80.9%	0.80278
EPO	EZS	V69	B0	Gold	78.1%	0.77097
EPO	EZS	V69	ZS	Gold	78.7%	0.76487
EPO	E0H	V7H	A0	Gold	79.7%	0.81031
EPO	E0H	V7H	ZR	Gold	79.1%	0.79529
EPO	EZ9	V7F	A0	Gold	79.9%	0.80875
EPO	EZ9	V7F	ZS	Gold	78.5%	0.78781
EPO-HSA	DXY	VDI	YM	Silver	70.2%	0.60385
EPO-HSA	DXY	VDI	ZX	Silver	69.7%	0.60035
EPO-HSA	DX9	VDR	YM	Silver	70.4%	0.61229
EPO-HSA	DX9	VDR	ZX	Silver	69.3%	0.60879
EPO-HSA	DYJ	VDT	YM	Silver	71.0%	0.61559
EPO-HSA	DYJ	VDT	ZX	Silver	70.1%	0.61209
EPO-HSA	DYP	VDV	YM	Silver	69.1%	0.59458
EPO-HSA	DYP	VDV	ZX	Silver	68.3%	0.59108
EPO	E06	V7N	ZT	Silver	70.8%	0.68139
EPO	E06	V7N	ZY	Silver	69.9%	0.66423
EPO	E2M	V7Q	D0	Silver	71.5%	0.67315
EPO	E2M	V7Q	ZZ	Silver	69.2%	0.65670
EPO	E2U	V7S	ZT	Silver	70.0%	0.67689
EPO	E2U	V7S	ZY	Silver	68.8%	0.65974
EPO	E26	V7U	ZT	Silver	70.5%	0.68368
EPO	E26	V7U	ZY	Silver	69.0%	0.66653
EPO	E18	V7O	ZT	Silver	70.5%	0.68588
EPO	E18	V7O	ZY	Silver	68.4%	0.66873
EPO-HSA	DWZ	VDK	YM	Bronze	60.9%	0.50989
EPO-HSA	DW2	VDL	YM	Bronze	61.5%	0.51402
EPO-HSA	DW4	VDM	YM	Bronze	59.3%	0.57357

CH+/INS (POS) Plans						
Product	Plan Name			Metal Level	Actuarial Value	Plan Ratio
	Medical		Rx			
	Exchange					
	Off	On				
POS	C5Z	VBZ	ZV	Platinum	88.2%	0.93059
POS	EY2	V64	ZU	Platinum	90.7%	0.98114
POS	E44	V7X	YM	Platinum	88.5%	0.94546
POS	E48	V7Z	ZR	Platinum	88.5%	0.93909
POS	E5O	V72	ZU	Platinum	91.9%	1.00136
POS	EYX	V62	ZV	Platinum	89.0%	0.94420
POS-HSA	DXL	VDO	A0	Gold	78.5%	0.71867
POS-HSA	DXL	VDO	YM	Gold	78.4%	0.71569
POS-HSA	DXR	VDQ	A0	Gold	78.1%	0.80079
POS-HSA	DXR	VDQ	YM	Gold	78.0%	0.79782
POS	EZL	V68	A0	Gold	79.5%	0.80839
POS	EZL	V68	YM	Gold	78.8%	0.80039
POS	EZ4	V7E	C0	Gold	79.1%	0.79286
POS	EZ4	V7E	ZT	Gold	78.9%	0.79791
POS	E0R	V7K	A0	Gold	78.9%	0.79204
POS	E0R	V7K	YM	Gold	78.3%	0.78404
POS	EY7	V66	A0	Gold	81.4%	0.82937
POS	EY7	V66	YM	Gold	80.9%	0.82137
POS	EZU	V7C	B0	Gold	78.1%	0.78938
POS	EZU	V7C	ZS	Gold	78.7%	0.78328
POS	E0Z	V7M	A0	Gold	81.6%	0.84260
POS	E0Z	V7M	YM	Gold	81.1%	0.83460
POS	E0J	V7I	A0	Gold	79.7%	0.82908
POS	E0J	V7I	ZR	Gold	79.1%	0.81406
POS	E0C	V7G	A0	Gold	79.9%	0.82729
POS	E0C	V7G	ZS	Gold	78.5%	0.80634
POS-HSA	DXX	VDJ	YM	Silver	70.2%	0.62157
POS-HSA	DXX	VDJ	ZX	Silver	69.7%	0.61807
POS-HSA	DX7	VDS	YM	Silver	70.4%	0.63139
POS-HSA	DX7	VDS	ZX	Silver	69.3%	0.62789
POS-HSA	DYI	VDU	YM	Silver	71.0%	0.63395
POS-HSA	DYI	VDU	ZX	Silver	70.1%	0.63045
POS-HSA	DYQ	VDW	YM	Silver	69.1%	0.60980
POS-HSA	DYQ	VDW	ZX	Silver	68.3%	0.60928
POS	E2O	V7R	D0	Silver	71.5%	0.68839
POS	E2O	V7R	ZZ	Silver	69.2%	0.67194
POS	E2W	V7T	ZT	Silver	70.0%	0.69206
POS	E2W	V7T	ZY	Silver	68.8%	0.67491
POS	E28	V7V	ZT	Silver	70.5%	0.69934
POS	E28	V7V	ZY	Silver	69.0%	0.68219
POS	E2E	V7P	ZT	Silver	70.5%	0.70208
POS	E2E	V7P	ZY	Silver	68.4%	0.68493

(3) Trend Factors

Effective Quarter	Factor
3rd Quarter, 2014	1.052
4th Quarter, 2014	1.079

(4) Age Factors

Age	Factor	Age	Factor	Age	Factor	Age	Factor
0-20	0.654	32	0.817	44	1.137	56	1.801
21	0.727	33	0.836	45	1.181	57	1.871
22	0.727	34	0.856	46	1.227	58	1.944
23	0.727	35	0.876	47	1.275	59	2.020
24	0.727	36	0.896	48	1.325	60	2.099
25	0.727	37	0.916	49	1.377	61	2.181
26	0.727	38	0.927	50	1.431	62	2.181
27	0.727	39	0.938	51	1.487	63	2.181
28	0.744	40	0.975	52	1.545	64 & older	2.181
29	0.760	41	1.013	53	1.605		
30	0.779	42	1.053	54	1.668		
31	0.799	43	1.094	55	1.733		

Product	Plan Name			Metal Level	Medical Schedule of Benefits Form #	Rx Schedule of Benefits Form #	Act'l Value	In-Network					Out-of-Network					Copayments										Medical Deduct. Type	Rx																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
	Medical Exchange		Rx					Deductible			OOP Maximum		Deductible		Coins	OOP Maximum		PCP	SCP	UC	ER	OP Surgery			IP	Deduct. Type	Deduct.		Tier 1	Tier 2	Spec.	Tier 3	Spec.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
	Off	On						Indiv.	Family	Coins	Indiv.	Family	Indiv.	Family		Indiv.	Family					Free-St.	Hospital																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
EPO	C4O	VBY	ZV	Platinum 3	PL3.SBN.CHC.I.14.DC	152550.RDR.RXSBN.NET.I.14.DC.SB	88.2%	\$250	\$500	90%	\$2,500	\$5,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									

Product	Plan Name			Metal Level	Medical Schedule of Benefits Form #	Rx Schedule of Benefits Form #	Act'l Value	In-Network					Out-of-Network					Copayments										Medical Deduct. Type	Rx							
	Medical Exchange		Rx					Deductible			OOP Maximum		Deductible			OOP Maximum		PCP	SCP	UC	ER	OP Surgery			IP	Deduct. Type	Deduct.		Tier 1	Tier 2	Tier 3	Spec.				
	Off	On						Indiv.	Family	Coins	Indiv.	Family	Indiv.	Family	Coins	Indiv.	Family					Free-St.	Hospital													
POS	EZU	V7C	B0	Gold 3-A	GO3.SBN.CHP.I.14.DC	102040.RDR.RXSBN.PLS.I.14.DC.SB	78.1%	\$1,000	\$2,000	80%	\$4,000	\$8,000	\$2,000	\$4,000	60%	\$6,000	\$12,000	\$25	\$50	\$75		\$250		Emb	Sep	\$100	\$10	20% to \$100	40% to \$300							
POS	EZU	V7C	ZS	Gold 3	GO3.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	78.7%	\$1,000	\$2,000	80%	\$4,000	\$8,000	\$2,000	\$4,000	60%	\$6,000	\$12,000	\$25	\$50	\$75		\$250		Emb	Sep	\$100	\$10	\$40	\$100	\$75	\$300					
POS	E0Z	V7M	A0	Gold 9-A	GO9.SBN.CHP.I.14.DC	102040.RDR.RXSBN.PLS.I.14.DC.SB	81.6%	\$1,000	\$2,000	90%	\$3,000	\$6,000	\$2,000	\$4,000	70%	\$6,000	\$12,000	\$20	\$40		Ded+\$250+Coins.			Emb	Sep		\$10	20% to \$100	40% to \$300							
POS	E0Z	V7M	YM	Gold 9	GO9.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	81.1%	\$1,000	\$2,000	90%	\$3,000	\$6,000	\$2,000	\$4,000	70%	\$6,000	\$12,000	\$20	\$40		Ded+\$250+Coins.			Emb	Sep		\$10	\$40	\$100	\$75	\$300					
POS	E0J	V7I	A0	Gold 6-A	GO6.SBN.CHP.I.14.DC	102040.RDR.RXSBN.PLS.I.14.DC.SB	79.7%	\$1,500	\$3,000	90%	\$4,000	\$8,000	\$2,000	\$4,000	70%	\$6,000	\$12,000	\$15	\$30	\$75		\$150		Emb	Sep		\$10	20% to \$100	40% to \$300							
POS	E0J	V7I	ZR	Gold 6	GO6.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	79.1%	\$1,500	\$3,000	90%	\$4,000	\$8,000	\$2,000	\$4,000	70%	\$6,000	\$12,000	\$15	\$30	\$75		\$150		Emb	Sep	\$50	\$10	\$40	\$100	\$75	\$300					
POS	E0C	V7G	A0	Gold 5-A	GO5.SBN.CHP.I.14.DC	102040.RDR.RXSBN.PLS.I.14.DC.SB	79.9%	\$1,300	\$2,600	90%	\$3,250	\$6,500	\$2,000	\$4,000	60%	\$6,000	\$12,000	\$25	\$50	\$75		\$150		Emb	Sep		\$10	20% to \$100	40% to \$300							
POS	E0C	V7G	ZS	Gold 5	GO5.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	78.5%	\$1,300	\$2,600	90%	\$3,250	\$6,500	\$2,000	\$4,000	60%	\$6,000	\$12,000	\$25	\$50	\$75		\$150		Emb	Sep	\$100	\$10	\$40	\$100	\$75	\$300					
POS-HSA	DXX	VDJ	YM	Silver 2	SL2.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	70.2%	\$2,000	\$4,000	70%	\$4,000	\$8,000	\$3,000	\$6,000	50%	\$10,000	\$20,000						NonEmb	Comb		\$10	\$40	\$100	\$75	\$300						
POS-HSA	DXX	VDJ	ZX	Silver 2-A	SL2.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	69.7%	\$2,000	\$4,000	70%	\$4,000	\$8,000	\$3,000	\$6,000	50%	\$10,000	\$20,000						NonEmb	Comb		\$15	30% to \$100	50% to \$300								
POS-HSA	DX7	VDS	YM	Silver 3	SL3.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	70.4%	\$2,000	\$4,000	90%	\$6,000	\$12,000	\$3,000	\$6,000	70%	\$10,000	\$20,000						NonEmb	Comb		\$10	\$40	\$100	\$75	\$300						
POS-HSA	DX7	VDS	ZX	Silver 3-A	SL3.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	69.3%	\$2,000	\$4,000	90%	\$6,000	\$12,000	\$3,000	\$6,000	70%	\$10,000	\$20,000						NonEmb	Comb		\$15	30% to \$100	50% to \$300								
POS-HSA	DYI	VDU	YM	Silver 4	SL4.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	71.0%	\$1,500	\$3,000	80%	\$6,000	\$12,000	\$3,000	\$6,000	60%	\$10,000	\$20,000						NonEmb	Comb		\$10	\$40	\$100	\$75	\$300						
POS-HSA	DYI	VDU	ZX	Silver 4-A	SL4.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	70.1%	\$1,500	\$3,000	80%	\$6,000	\$12,000	\$3,000	\$6,000	60%	\$10,000	\$20,000						NonEmb	Comb		\$15	30% to \$100	50% to \$300								
POS-HSA	DYQ	VDW	YM	Silver 5	SL5.SBN.CHP.I.14.DC	104075.RDR.RXSBN.PLS.I.14.DC.SB	69.1%	\$1,500	\$3,000	70%	\$6,000	\$12,000	\$3,000	\$6,000	60%	\$10,000	\$20,000						NonEmb	Comb		\$10	\$40	\$100	\$75	\$300						
POS-HSA	DYQ	VDW	ZX	Silver 5-A	SL5.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	68.3%	\$1,500	\$3,000	70%	\$6,000	\$12,000	\$3,000	\$6,000	60%	\$10,000	\$20,000						NonEmb	Comb		\$15	30% to \$100	50% to \$300								
POS	E2O	V7R	D0	Silver 7	SL7.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	71.5%	\$1,500	\$3,000	70%	\$6,250	\$12,500	\$4,000	\$8,000	50%	\$10,000	\$20,000	\$40	\$80	\$100		\$300		Emb	Sep	\$500	\$10	\$40	\$100	\$75	\$300					
POS	E2O	V7R	ZZ	Silver 7-A	SL7.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	69.2%	\$1,500	\$3,000	70%	\$6,250	\$12,500	\$4,000	\$8,000	50%	\$10,000	\$20,000	\$40	\$80	\$100		\$300		Emb	Sep	\$500	\$15	30% to \$100	50% to \$300							
POS	E2W	V7T	ZT	Silver 8	SL8.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	70.0%	\$2,000	\$4,000	70%	\$6,250	\$12,500	\$4,000	\$8,000	50%	\$10,000	\$20,000	\$40	\$80	\$100		\$300		Emb	Sep	\$250	\$10	\$40	\$100	\$75	\$300					
POS	E2W	V7T	ZY	Silver 8-A	SL8.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	68.8%	\$2,000	\$4,000	70%	\$6,250	\$12,500	\$4,000	\$8,000	50%	\$10,000	\$20,000	\$40	\$80	\$100		\$300		Emb	Sep	\$250	\$15	30% to \$100	50% to \$300							
POS	E28	V7V	ZT	Silver 9	SL9.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	70.5%	\$2,500	\$5,000	80%	\$6,250	\$12,500	\$4,000	\$8,000	60%	\$10,000	\$20,000	\$35	\$70	\$100		\$300		Emb	Sep	\$250	\$10	\$40	\$100	\$75	\$300					
POS	E28	V7V	ZY	Silver 9-A	SL9.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	69.0%	\$2,500	\$5,000	80%	\$6,250	\$12,500	\$4,000	\$8,000	60%	\$10,000	\$20,000	\$35	\$70	\$100		\$300		Emb	Sep	\$250	\$15	30% to \$100	50% to \$300							
POS	E2E	V7P	ZT	Silver 10	SL10.SBN.CHP.I.14.DC	104075.D.RDR.RXSBN.PLS.I.14.DC.SB	70.5%	\$3,000	\$6,000	90%	\$6,250	\$12,500	\$4,000	\$8,000	70%	\$10,000	\$20,000	\$35	\$70	\$100		\$300		Emb	Sep	\$250	\$10	\$40	\$100	\$75	\$300					
POS	E2E	V7P	ZY	Silver 10-A	SL10.SBN.CHP.I.14.DC	152550.RDR.RXSBN.PLS.I.14.DC.SB	68.4%	\$3,000	\$6,000	90%	\$6,250	\$12,500	\$4,000	\$8,000	70%	\$10,000	\$20,000	\$35	\$70	\$100		\$300		Emb	Sep	\$250	\$15	30% to \$100	50% to \$300							

Rate Changes - Plan Ratios (from Exhibit 1)

Product	Plan Name		Plan Ratio		% Chg
	Off	On	Current	Proposed	
EPO	C4O	VBY	1.01137	0.91023	-10.0%
EPO	EY1	V63	1.06734	0.96062	-10.0%
EPO	E43	V7W	1.03011	0.92711	-10.0%
EPO	E47	V7Y	1.02474	0.92228	-10.0%
EPO	E5N	V71	1.08999	0.98098	-10.0%
EPO	EYW	V61	1.02656	0.92390	-10.0%
EPO-HSA	DW7	VDN	0.77424	0.69682	-10.0%
EPO-HSA	DW7	VDN	0.77093	0.69384	-10.0%
EPO-HSA	DXP	VDP	0.86334	0.77701	-10.0%
EPO-HSA	DXP	VDP	0.86004	0.77404	-10.0%
EPO	EZJ	V67	0.87802	0.79022	-10.0%
EPO	EZJ	V67	0.86914	0.78223	-10.0%
EPO	EZ2	V7D	0.86015	0.77415	-10.0%
EPO	EZ2	V7D	0.86576	0.77919	-10.0%
EPO	E0P	V7J	0.85937	0.77343	-10.0%
EPO	E0P	V7J	0.85048	0.76544	-10.0%
EPO	E0X	V7L	0.91553	0.82398	-10.0%
EPO	E0X	V7L	0.90665	0.81599	-10.0%
EPO	EY5	V65	0.90085	0.81077	-10.0%
EPO	EY5	V65	0.89197	0.80278	-10.0%
EPO	EZS	V69	0.85664	0.77097	-10.0%
EPO	EZS	V69	0.84985	0.76487	-10.0%
EPO	E0H	V7H	0.90034	0.81031	-10.0%
EPO	E0H	V7H	0.88365	0.79529	-10.0%
EPO	EZ9	V7F	0.89862	0.80875	-10.0%
EPO	EZ9	V7F	0.87534	0.78781	-10.0%
EPO-HSA	DXY	VDI	0.67094	0.60385	-10.0%
EPO-HSA	DXY	VDI	0.66706	0.60035	-10.0%
EPO-HSA	DX9	VDR	0.68033	0.61229	-10.0%
EPO-HSA	DX9	VDR	0.67642	0.60879	-10.0%
EPO-HSA	DYJ	VDT	0.68399	0.61559	-10.0%
EPO-HSA	DYJ	VDT	0.68011	0.61209	-10.0%
EPO-HSA	DYP	VDV	0.66064	0.59458	-10.0%
EPO-HSA	DYP	VDV	0.65676	0.59108	-10.0%
EPO	E06	V7N	0.75709	0.68139	-10.0%
EPO	E06	V7N	0.73804	0.66423	-10.0%
EPO	E2M	V7Q	0.74793	0.67315	-10.0%
EPO	E2M	V7Q	0.72966	0.65670	-10.0%
EPO	E2U	V7S	0.75209	0.67689	-10.0%
EPO	E2U	V7S	0.73305	0.65974	-10.0%
EPO	E26	V7U	0.75964	0.68368	-10.0%
EPO	E26	V7U	0.74057	0.66653	-10.0%
EPO	E18	V7O	0.76209	0.68588	-10.0%
EPO	E18	V7O	0.74304	0.66873	-10.0%
EPO-HSA	DWZ	VDK	0.56655	0.50989	-10.0%
EPO-HSA	DW2	VDL	0.57114	0.51402	-10.0%
EPO-HSA	DW4	VDM	0.63730	0.57357	-10.0%

Product	Plan Name		Plan Ratio		% Chg
	Off	On	Current	Proposed	
POS	C5Z	VBZ	1.03397	0.93059	-10.0%
POS	EY2	V64	1.09014	0.98114	-10.0%
POS	E44	V7X	1.05051	0.94546	-10.0%
POS	E48	V7Z	1.04342	0.93909	-10.0%
POS	E5O	V72	1.11262	1.00136	-10.0%
POS	EYX	V62	1.04910	0.94420	-10.0%
POS-HSA	DXL	VDO	0.79851	0.71867	-10.0%
POS-HSA	DXL	VDO	0.79521	0.71569	-10.0%
POS-HSA	DXR	VDQ	0.88976	0.80079	-10.0%
POS-HSA	DXR	VDQ	0.88647	0.79782	-10.0%
POS	EZL	V68	0.89821	0.80839	-10.0%
POS	EZL	V68	0.88933	0.80039	-10.0%
POS	EZ4	V7E	0.88095	0.79286	-10.0%
POS	EZ4	V7E	0.88655	0.79791	-10.0%
POS	E0R	V7K	0.88003	0.79204	-10.0%
POS	E0R	V7K	0.87115	0.78404	-10.0%
POS	EY7	V66	0.92151	0.82937	-10.0%
POS	EY7	V66	0.91263	0.82137	-10.0%
POS	EZU	V7C	0.87708	0.78938	-10.0%
POS	EZU	V7C	0.87032	0.78328	-10.0%
POS	E0Z	V7M	0.93622	0.84260	-10.0%
POS	E0Z	V7M	0.92734	0.83460	-10.0%
POS	E0J	V7I	0.92121	0.82908	-10.0%
POS	E0J	V7I	0.90451	0.81406	-10.0%
POS	E0C	V7G	0.91920	0.82729	-10.0%
POS	E0C	V7G	0.89594	0.80634	-10.0%
POS-HSA	DXX	VDJ	0.69063	0.62157	-10.0%
POS-HSA	DXX	VDJ	0.68674	0.61807	-10.0%
POS-HSA	DX7	VDS	0.70154	0.63139	-10.0%
POS-HSA	DX7	VDS	0.69765	0.62789	-10.0%
POS-HSA	DYI	VDU	0.70437	0.63395	-10.0%
POS-HSA	DYI	VDU	0.70049	0.63045	-10.0%
POS-HSA	DYQ	VDW	0.67756	0.60980	-10.0%
POS-HSA	DYQ	VDW	0.67697	0.60928	-10.0%
POS	E2O	V7R	0.76488	0.68839	-10.0%
POS	E2O	V7R	0.74660	0.67194	-10.0%
POS	E2W	V7T	0.76896	0.69206	-10.0%
POS	E2W	V7T	0.74989	0.67491	-10.0%
POS	E28	V7V	0.77704	0.69934	-10.0%
POS	E28	V7V	0.75799	0.68219	-10.0%
POS	E2E	V7P	0.78009	0.70208	-10.0%
POS	E2E	V7P	0.76102	0.68493	-10.0%

Formula & Example

Exhibit 4

Rate Calculation Formula

Monthly premium =

Index Rate
x Plan Ratio
x Trend factor for plan effective or renewal date
x Sum of member age factors for the group

Rating Example

Benefit Plan: EPO plan EZ2 with Rx C0

Effective Date: 7/1/14

Census:

	Member Ages			
	EE Age	Spouse Age	Child #1	Child #2
EE #1	43	41	10	15
EE #2	35	36	5	9
EE #3	53	55	19	

Total Members: 11

Age Factors			
EE	Spouse	Child #1	Child #2
1.094	1.013	0.654	0.654
0.876	0.896	0.654	0.654
1.605	1.733	0.654	

Sum of Age Factors: 10.487

Rate Calculation

	Rating Factor	Exhibit 1 Location
\$458.28	Index Rate	(1)
0.77415	Plan Ratio (EZ2)	(2)
1.052	Trend Factor (3Q14)	(3)
10.487	Group Age Factor	(4)
<u>\$3,914.02</u>		
Total Monthly Premium		

Member Months, Earned Premium & Incurred Claim Experience - UHIC

Month	<u>Members</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Claim PMPM</u>	<u>Loss Ratio</u>
Jan-12	9,190	3,849,240	2,728,257	296.87	70.9%
Feb-12	9,374	3,954,953	2,599,181	277.28	65.7%
Mar-12	9,291	3,940,405	3,072,182	330.66	78.0%
Apr-12	9,175	3,912,866	2,698,096	294.07	69.0%
May-12	9,141	3,922,974	2,724,351	298.04	69.4%
Jun-12	9,136	3,940,596	2,604,675	285.10	66.1%
Jul-12	9,204	3,986,074	2,402,937	261.08	60.3%
Aug-12	9,266	4,007,942	2,720,091	293.56	67.9%
Sep-12	9,338	4,011,619	2,222,794	238.04	55.4%
Oct-12	9,083	3,934,272	2,431,348	267.68	61.8%
Nov-12	9,057	3,931,358	2,677,794	295.66	68.1%
Dec-12	8,920	3,876,665	2,446,344	274.25	63.1%
Total	110,175	47,268,964	31,328,050	284.35	66.3%

Explanation, Support & Development of PPACA Fee Increases

The Patient Protection and Affordable Care Act (PPACA) includes several new taxes and fees which will increase health insurance costs and need to be reflected in premium. The two largest cost impacts both take effect with calendar year 2014 earned premiums.

Insurer Fee. This is a permanent fee that applies to fully insured coverage. This fee will fund tax credits for insurance coverage purchased on the exchanges. The total fee increases from \$8B in 2014 to \$14.3B in 2018 (indexed to premium for subsequent years.) Each insurance carrier's assessment will be based on net written health insurance premiums in the prior year, with certain exclusions. The Oliver Wyman report "Simulation of the Impact of the Annual Fees on Insurers Using 2011 Data", dated June 27, 2012, estimates that the denominator premiums to which this fee will be applied will be \$527.085 billion. The fee must then be grossed up for federal income tax, since the member fee is not a tax deductible expense. As a % of premium, the needed fee is \$8B Insurer Fee / \$527.085 Net Industry Premiums / 65% FIT = 2.3%.

Reinsurance Assessment. This is a temporary fee that applies to all commercial groups (both fully insured and self-funded) from 2014 to 2016 for the purpose of funding the reinsurance pool for high cost claimants in the individual market during this three year transitional period. The total baseline amounts to be collected to fund this pool are \$12B in 2014, \$8B in 2015, and \$5B in 2016, and individual states can add to this baseline. Each insurance carrier will be assessed on a per capita basis. HHS has proposed a \$5.25 pmpm assessment for 2014, or an estimated 1.1% of DC small group premiums.

The total needed PPACA fee increase is 3.5% (2.3% for Insurer Fee, plus 1.2% for Reinsurance Assessment).

The below details the calculation of the Insurer Fee and Reinsurance Assessment.

Calculation of 2014 Fees Impact

Insurer Fee Impact Calculation

Insurer Fee in 2014 (Billions)	\$8
Projected 2013 Health Insurance Premiums (Billions)*	\$527.085
Insurer Fee as % of Health Insurance Premiums	1.5%
Gross Up by Federal Income Tax (35%)	2.3%

*from Oliver Wyman Study published on June 27, 2012

Reinsurance Assessment Impact Calculation

Reinsurance Assessment Per Member Per Month - HHS Proposed	\$5.25
Reinsurance Fee as a Percent of Premium	1.2%

DC Small Group Rate Review - Development of Experience Adjustment

	OCI	UHIC	Total
1. Experience 10/1/12-13			
1a. Member Months	21,901	106,419	128,320
1b. Average Mbrs (1a/12)	1,825	8,868	10,693
1c. Incurred Claims	\$5,348,744	\$31,804,630	\$37,153,374
1d. Claim PMPM (1c/1a)	\$244.22	\$298.86	\$289.54
1e. Earned Premium	\$10,627,196	\$47,277,649	\$57,904,845
1f. Premium PMPM (1e/1a)	\$485.24	\$444.26	\$451.25
1g. Loss Ratio (1c/1e)	50.3%	67.3%	64.2%
2. Needed Revenue for 7/1/14 Effective Date			
2a. Claim trend	1.195	1.195	1.195
From center of experience period: 4/1/13 to center of 07/1/14 pricing period: 1/1/15 (21 months at 10.7% annual rate)			
2b. Claim cost subtotal (1d x 2a)	\$291.77	\$357.05	\$345.91
2c. Target loss ratio	80.0%	80.0%	80.0%
2d. Needed revenue PMPM (2b/2c)	\$364.62	\$446.20	\$432.27
2e. PPACA Fees	1.035	1.035	1.035
2f. Market Dropout, Early Term / Renewal	1.013	1.013	1.013
2g. Risk Adjustment	1.068	1.068	1.068
2h. Needed Revenue PMPM 7/1/14 eff (2d x 2e x 2f x 2g)	\$408.28	\$499.63	\$484.04
3. Current Manual Rate 7/1/14			
3a. Medical base rate 7/1/2014	\$439.15	\$478.53	\$471.81
3b. Average medical plan relativity	0.8653	0.8465	0.8497
3c. Medical pricing trend factor	1.052	1.052	1.052
<u>3d. Subtotal: Medical (3a x 3b x 3c)</u>	<u>\$399.76</u>	<u>\$426.15</u>	<u>\$421.65</u>
3e. Pharmacy base rate 7/1/2014	\$148.52	\$148.52	\$148.52
3f. Average Rx plan relativity	0.5670	0.4908	0.5038
3g. Rx pricing trend factor	1.052	1.052	1.052
<u>3h. Subtotal: Pharmacy (3e x 3f x 3g)</u>	<u>\$88.58</u>	<u>\$76.68</u>	<u>\$78.71</u>
<u>3i. Subtotal: Medical+Pharmacy (3d + 3h)</u>	<u>\$488.34</u>	<u>\$502.84</u>	<u>\$500.36</u>
3j. Age Factors	1.1809	1.0599	1.0805
3k. Number of Children Limit Adjustment	0.9930	0.9930	0.9930
3l. Current premium PMPM for 7/1/14 effective date (3i x 3j x 3k)	\$572.66	\$529.22	\$536.63
4. Supportable Pricing Adjustment (2h / 3l -1) (rate adjustment required to achieve 80.0% loss ratio)	-28.7%	-5.6%	-9.8%

**UNITED HEALTHCARE
HEALTHCARE ECONOMICS**

Exhibit T

**DISTRICT OF COLUMBIA PRICING TREND DEVELOPMENT
APRIL 2013 RATE FILING SUPPORT**

SG PRICING TREND BY COMPONENT

SMALL GROUP PRICING TREND BY COMPONENT									
	Notes:	<u>Inpatient</u>	<u>Outpatient</u>	<u>Professional</u>	<u>Other</u>	<u>Capitation</u>	<u>Total Medical</u>	<u>Retail Pharmacy</u>	<u>Weighted Aggregate</u>
Total Proposed Pricing Trend	[6]	7.5%	12.7%	10.7%	11.0%	3.6%	10.4%	12.3%	10.7%
Utilization / Service Mix	[1] , [2]	0.1%	5.1%	4.4%	4.0%	0.0%	3.5%	4.2%	3.6%
Unit Cost	[3]	6.0%	5.4%	3.7%	4.7%	2.3%	4.8%	4.8%	4.8%
Benefit Leveraging	[4]	0.2%	0.7%	1.2%	0.9%	0.2%	0.8%	1.8%	0.9%
Margin		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
<u>Demographic Change</u>	[5]	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Sub-Total Claims Trend		7.5%	12.7%	10.7%	11.0%	3.6%	10.4%	12.3%	10.7%
Management Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

- [1] Represents core utilization only, exclusive of demographic change impacts; includes expected impact of changes in business day content.
- [2] Represents expected changes in intensity of services provided.
- [3] Represents core unit pricing increases, exclusive of service mix / intenisty of services impact;
- [4] Impact of member cost-share leveraging on net claims cost trend.
- [5] Represents trend impact of age and gender changes; No provision included for Small Group business (age/gender community rating variable).
- [6] Pricing models do not distinguish between Primary and Specialty medical care; same trends shown for both.